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IN THIS ISSUE:

News Releases—

Elderly Cautioned on two Causes of Anemia

USDA Announces Targeted Export Promotion Program for Potatoes

Ling Announces Red Meat Buuy-out

USDA Announces Results of Dairy Termination Program

United States Sells Surplus Dairy Products to Brazil

USDA Revises Standards for Lite and Lean Fat Claims

USDA Adopts Clear Title Regulations

Meat Imports Not Expected to Trigger Quota in 1986

1985-Crop Corn, Sorghum Deficiency Payments Estimated at $2.6 Billion

USDA Proposes New Peanut Regulations

USDA Announces Additional Results of Heptachlor Testing

USDA Announces 1986-Crop Honey Loan Rates

Peanut Growers Approve Poundage Quotas

CCC Loan Interest Rate Lowered to 7-¼ Percent

USDA Announces Final Regulations for Dairy Collection Plan

USDA Sets April 15 Deadline for Requesting Rice Program Payments

Dairy Program to Add Only Slightly to 2nd-Quarter Beef Supply

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News Releases

U.S. Department of Agriculture • Office of Information

ELDERLY CAUTIONED ON TWO CAUSES OF ANEMIA

WASHINGTON, Mar. 27—Elderly people could develop anemia if they use antibiotics for prolonged periods or frequently take antacids at mealtime, a U.S. Department of Agriculture scientist said today, based on a study of Boston elderly funded by USDA's Agricultural Research Service.

Both medications can reduce the body's uptake of folate, an essential vitamin that helps produce red blood cells needed to prevent anemia, said Robert M. Russell, the scientific director of USDA's Human Nutrition Research Center on Aging.

Antacids taken at mealtime can neutralize the stomach acid that is necessary for absorption of folate, Russell said.

Antibiotics, on the other hand, can kill off intestinal bacteria that produce the needed amount of folate in people who do not absorb sufficient amounts in the upper intestinal tract. Usually, stomach acid moves into the upper intestine to help the absorption of folate.

But, when people age, he said, they lose acid-secreting cells in their stomach.

He said various studies have found that the number of elderly people who have lost the ability to secrete stomach acid ranges between 10 and 50 percent. His study showed that 20 percent of the over-60 population had the condition, known as atrophic gastritis.

"The older a person is, the more likely he or she is of having atrophic gastritis," he said. "It is a silent problem, like hypertension." A blood test—the pepsinogen test—is accurate in detecting the condition, he added, but the test is not common in medical checkups.

"Our studies show that intestinal bacteria compensate for the loss of stomach acid and prevent the body from developing folate deficiency," Russell said. If little or no acid is present in the intestine, the bacteria flourish and produce folate in amounts large enough to override the absorption problem, he explained.

"Antibiotics, especially those that kill a wide range of bacteria, may destroy this backup system. They could precipitate folate deficiency within several weeks," he said.

The deficiency can, in turn, cause anemia similar to pernicious anemia which is the result of vitamin B12 deficiency, he explained. Symptoms may include fatigue, shortness of breath, a sore tongue and disturbances of the gastrointestinal tract such as diarrhea.

Russell said the findings suggest that antacids can also cause absorption problems when frequently taken with meals. As with atrophic gastritis, antacids reduce the acid conditions the body needs to absorb folate from foods.

But bacteria can't compensate, he said, because the intestine again becomes acidic when the antacid wears off, preventing the bacteria from producing vitamin B12 in large quantities.

In any age group, intermittent use of antacids could eventually lead to folate deficiency, Russell said, but the practice is prevalent among the elderly.

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USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR POTATOES

WASHINGTON, March 27—Secretary of Agriculture Richard E. Lyng today announced the U.S. Department of Agriculture will undertake a $2-million market promotion program for U.S. frozen potatoes in the five Pacific-Rim economies of Japan, Hong Kong, Taiwan, Malaysia and Singapore.

The sales anticipated as a result of the program should be of help to the U.S. potato industry, which is currently troubled by excess supplies and depressed prices, Lyng said.

The export assistance program will be administered by USDA's Foreign Agricultural Service in accordance with Section 1124 of the Food Security Act of 1985.

The promotional activities will be carried out cooperatively through an agreement between USDA's Foreign Agricultural Service and the National Potato Promotion Board, a nonprofit commodity organization which has worked with USDA on export promotion programs since 1974.

Approximately three-fourths of U.S. potato exports are in frozen form and 90 percent of these exports are to Pacific-Rim countries, primarily Japan. Frozen exports have increased fairly steadily over the past decade, reaching an all-time high of 66,150 tons (132,000 tons fresh equivalent) valued at $64 million in 1985.

The expansion in frozen potato exports has been due in large part to the rapid growth of fast-food chains in Pacific Rim countries. These chains have tended to prefer high-quality U.S. potatoes. The expansion in their number has exposed an increasing percentage of the local population to U.S. potatoes and has helped open up marketing opportunities at the retail level, primarily in supermarkets.

#

LYNG ANNOUNCES RED MEAT BUY-OUT

WASHINGTON, March 28—Secretary of Agriculture Richard E. Lyng today announced the U.S. Department of Agriculture will begin purchasing 400 million pounds of red meat to help offset the impact of increased slaughter of dairy cattle under USDA's whole-herd dairy buy-out program.

Lyng said the new purchases, mandated by the Food Security Act of 1985, will be in addition to quantities of red meat normally purchased for distribution to the school lunch program and other domestic feeding programs.

The Act authorized the establishment of the dairy buy-out program in an effort to reduce domestic milk production.

Purchases of canned beef and ground beef will begin immediately, Lyng said. Purchases of other red-meat items will be timed to coincide with slaughter under the termination program and to assist markets.

Of the 400 million pounds to be purchased, said Lyng, 200 million pounds will be donated to domestic nonprofit charitable institutions for the needy, to nutrition programs for the elderly, to nonprofit summer camps for children and to other child-nutrition programs including the school lunch program. The remaining 200 million pounds will be exported.

Information on purchases for domestic use may be obtained from the Contracting Officer, Livestock and Seed Division, Agricultural Marketing Service, USDA, Washington, D.C. 20250; telephone (202) 447-2650.

Information on purchases for export may be obtained from the Director, Dairy, Livestock and Poultry Division, Foreign Agricultural Service, USDA, Washington, D.C. 20250; telephone (202) 447-8031.

Interested parties may request inclusion on the appropriate agency's bidder mailing list.

#

USDA ANNOUNCES RESULTS OF DAIRY TERMINATION PROGRAM

WASHINGTON, March 28—The U.S. Department of Agriculture today announced it has tentatively accepted 13,988 bids to participate in the dairy production termination program mandated by the Food Security Act of 1985.

Secretary of Agriculture Richard E. Lyng said 39,534 dairy farmers submitted bids, but because many of them submitted multiple bids (up to one for each of the three disposal periods), the total number of bids exceeded 105,700. Bids per hundredweight of milk ranged from $3.40 to over $1,000.

Lyng said those farmers submitting bids marketed about 33 billion pounds of milk in 1985, about 23.5 percent of the U.S. total.

According to Lyng, the maximum bid accepted was $22.50. In the case of multiple bids by an individual, where at least one bid was $22.50/cwt or less, the lowest bid was accepted.

The cost of the dairy termination program will total $1.827 billion, spread out over the 5 years of the program. Based on 1985 marketings by the participants, the average cost per hundredweight for the program will be $14.88.

Those bids tentatively accepted will result in a reduction of milk production by 12.280 billion pounds during the 18-month program. This amount is slightly more than the 12-billion-pound target level specified in the 1985 Food Security Act. Because the actual reduction exceeds the target level, USDA will, if large milk surpluses take place, allow adjustments to be made in the support price for milk for calendar years 1988, 1989 and 1990. The amount of the adjustments will depend on the estimates of purchases of milk and milk products by the Commodity Credit Corporation during those periods.

Assessments that result in the 40-cent-per-hundredweight reduction in the price received by producers for milk marketed for commercial use during the period April 1-Dec. 31, 1986, and a 25-cent reduction in the price received by producers for milk during the period Jan. 1-Sept. 30, 1987 (as mandated by the 1985 Food Security Act), will result in an

estimated total collection of $650-$700 million. Therefore, the dairy industry will pay for about 38 percent of the cost of the dairy termination program.

Lyng said all bids were analyzed on both a national and state basis. In accepting bids, he said, consideration was given to maintaining a cost basis equivalent to what it would cost the CCC to purchase, store and handle the surplus dairy products from 100 pounds of milk for one year in the absence of such a program.

In addition, the number and distribution of cattle to be slaughtered as a result of the program meets the additional requirements mandated by the 1985 Act, which provides for the orderly marketing and overall limitations on numbers of dairy cattle which can be sold for slaughter under the program.

County Agricultural Stabilization and Conservation Service offices will officially notify producers of bid acceptance, including disposal period.

Data on bids and contracts are detailed by state in the supplementary tables entitled Preliminary Sign-up Data.

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UNITED STATES SELLS SURPLUS DAIRY PRODUCTS TO BRAZIL

WASHINGTON, March 28—Under Secretary of Agriculture Daniel G. Amstutz today announced an export sale by the Commodity Credit Corporation of 22.0 million pounds (10,000 metric tons) of nonfat dry milk valued at $6.9 million to Interbras, a Brazilian buyer.

CCC sold the nonfat dry milk, part of its surplus inventory acquired under the CCC dairy price support program, for $690 per ton f.a.s. (free along side) vessel. Deliveries will be made in April and May with payment in U.S. dollars. No credit arrangements are involved in this sale, Amstutz said.

Brazil has also purchased 7,000 tons of nonfat dry milk from New Zealand at $690 per ton and 5,000 tons of nonfat dry milk from European exporters at $690 per ton.

#

USDA REVISES STANDARDS FOR LITE AND LEAN FAT CLAIMS

WASHINGTON, March 31—The U.S. Department of Agriculture today announced it is restricting its definitions for the terms "lite" and "lean" and other fat claims used on meat and poultry labels to reflect more accurately a product's fat content. USDA also is requiring specific labeling information on products using these terms.

Processors will have one year to change their labels in accordance with the new requirements.

"Today, consumers are more conscious of the fat content of their diet and many are concerned that 'low fat' and other fat claims are made for products that are relatively high in fat," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service. We need to ensure that labeling information on fat content of meat and poultry products is clear and not misleading. At the same time, we don't want to be so strict with our labeling standards that we discourage industry from producing lower-fat products."

Houston said USDA's new labeling requirements will ensure that products labeled with terms indicating lower fat levels are naturally low in fat or that their fat content has actually been reduced Under the new policy, the term "extra lean" will be reserved for products containing no more than 5 percent fat. Processors must disclose the actual amount of fat on the product label—for example, This product contains 4 percent fat.

The terms "lean" and "low fat" can be used only on products containing less than 10 percent fat, and the amount of fat must be stated on the label.

The terms "light," "lite," "leaner" and "lower fat" can be used on products containing at least 25 percent less fat than the majority of such products in the marketplace. A statement explaining the comparison must be included on the label. For example, the label for "Leaner Ground Beef" might include "This product contains 20 percent fat, which is 33 percent less fat than is in most ground beef."

In addition, the terms "lean," "lite" or other fat claims can be part of fanciful names, brand names and trademarks only if the product meets the requirements for that claim and if the claim is explained on the label. This restriction, however, does not apply to the use of these terms on brand-name products like frozen dinners and entrees when the terms

indicate a product's usefulness in calorie control. Labels on these products must carry nutrition labeling that includes the fat content.

Previous labeling requirements allowed fat claims such as "lite," "lean" and "extra lean" to be used interchangeably on meat and poultry products containing 25 percent less fat than a comparable product and on products containing no more than 10 percent fat.

Copies of USDA policy memos 070A and 071A, which explain the new labeling requirements, are available from: U.S. Department of Agriculture, Food Safety and Inspection Service, Printing and Distribution Section, Room 0151-South Building, Washington, D.C. 20250.

USDA was petitioned by the Center for Science in the Public Interest on Nov. 5, 1985, to change its policies governing the use of fat claims on meat and poultry products. The American Meat Institute also made a similar request.

#

USDA ADOPTS "CLEAR TITLE" REGULATIONS

WASHINGTON, March 31—States may develop central filing systems to notify buyers of farm products of any mortgages or liens on the products, under regulations published today by the U.S. Department of Agriculture to implement the Food Security Act passed by Congress in December.

B.H. (Bill) Jones, head of USDA's Packers and Stockyards Administration, said Section 1324 of the Act, titled "Protection for Purchasers of Farm Products," permits purchasers to take clear title to such products except when they receive notice that a lien exists.

"The general rule, under the Act, is that purchasers would be permitted to take clear title to farm products just as with other products under the Uniform Commercial Code," Jones said. "However, the Act establishes optional procedures for notifying purchasers that a lien exists. If purchasers are notified, they could take the product subject to the existing lien."

Jones said the Act provides a procedure for notifying purchasers through central filing systems established by individual states. Such systems must be certified by USDA.

"Establishing such a system is optional with the state," Jones said. "Lenders with mortgages on farm products in states that have established

central filing systems could file statements showing evidence of those mortgages."

Buyers in states with a central filing system should register with the system to ensure that they take the product free and clear of an existing lien. If purchasers of farm products, commission merchants, or selling agents register with the state agency, they would receive notification of the lien.

If a State does not set up a central filing system, or the lienholder does not notify potential buyers in the manner provided in the Act, buyers would take clear title to the farm product and neither they nor a selling agent would be liable for paying twice for the product, as is now the case, he said.

The regulations appear in today's Federal Register. The law goes into effect in December 1986.

Requests for copies of the regulations, or requests to modify them, should be mailed to the Administrator, Packers And Stockyards Administration, Room 3039 South Bldg., USDA, Washington, D.C. 20250. Phone: 202-447-7063.

#

MEAT IMPORTS NOT EXPECTED TO TRIGGER QUOTA IN 1986

WASHINGTON, March 31—Secretary of Agriculture Richard E. Lyng announced today that the second quarterly estimate of U.S. meat imports for 1986 is below the level that would require quotas on imports under the Meat Import Act of 1979.

Lyng said that based on USDA estimates of available supplies, imports of beef and certain other meats should be no more than 1,390 million pounds—about 50 million pounds below the 1986 trigger level of 1,440 million pounds.

The Meat Import Act requires the President to restrict imports of certain meats—primarily beef and veal—if the USDA estimate equals or exceeds the trigger level.

"Based on today's estimate, there is no need to impose import restrictions during the quarter beginning April 1," Lyng said. "Our analysis of conditions in this country and abroad affecting meat imports strongly suggests there will be no need for import restrictions for the remainder of the year."

Imports of meat subject to the law — by month — are:

Month	1983	1984	1985	1986
		Million pounds		
January	92.2	87.0	53.9	77.7
February	124.3	109.2	87.0	102.2
March	127.0	4.9	87.0	
April	106.5	82.3	94.6	
May	92.8	89.0	122.7	
June	143.2	64.9	84.0	
July	113.1	107.0	162.2	
August	124.3	100.4	104.2	
September	110.3	103.2	134.6	
October	77.8	132.7	138.0	
November	74.6	89.9	88.4	
December	54.1	98.2	156.6	
Total*	1,240.1	1,148.7	1,318.6	

*Totals may not add due to rounding.

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1985-CROP CORN, SORGHUM DEFICIENCY PAYMENTS ESTIMATED AT $2.6 BILLION

WASHINGTON, March 31—An estimated $2.6 billion in deficiency payments will be paid to eligible corn and sorghum producers for their 1985 crops, Secretary of Agriculture Richard E. Lyng said today.

Of the total deficiency payments earned under the 1985 feed grain program, $1.15 billion has already been received by corn producers and $93 million by sorghum producers who requested advance payments. Deficiency payments of 23.5 cents per bushel for corn and 23 cents per bushel for sorghum were paid to those producers.

In addition, corn producers will receive about $1.25 billion and sorghum producers around $130 million, Lyng said. Most farmers should receive the remainder of their deficiency payment by the middle of April, he said.

Deficiency payment rates are calculated as the difference between an

established target price and the higher of the price support loan rate, or the national average price received by farmers during the first five months of the marketing year. For corn and sorghum, the first five months of the marketing year are October through February.

National weighted average market prices for the first five months of the marketing year are $2.24 per bushel for corn and $1.98 per bushel for sorghum. Eligible corn producers will be paid a deficiency payment rate of 48 cents per bushel for their 1985 crop, based on the difference between the $3.03 target price and the $2.55 loan rate. The eligible sorghum producers' deficiency payment rate will be 46 cents per bushel, based on the difference between the $2.88 target price and the $2.42 loan rate.

Producers can estimate their individual deficiency payments by multiplying their planted acreage times their farm program yield times the deficiency payment rate. For example, a corn producer who planted 100 acres in the program and had a farm program yield of 100 bushels per acre would receive a deficiency payment of $4,800 (100 acres x 100 bushels x 48 cents per bushel), less any advance deficiency payment received.

Lyng said payments will be issued through local Agricultural Stabilization and Conservation Service offices.

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USDA PROPOSES NEW PEANUT REGULATIONS

WASHINGTON, April 1—The U.S. Department of Agriculture today issued proposed regulations for determining state and farm poundage quotas for the 1986 through 1990 peanut crops, according to Milton Hertz, acting administrator of USDA's Agricultural Stabilization and Conservation Service.

Many rules remain unchanged from the 1982-85 peanut program. However, certain changes are required by amendments which were made to the Agricultural Adjustment Act of 1938 by the Food Security Act of 1985, Hertz said. The amendments include provisions for allocating peanut poundage quotas in certain instances to farms on which only non-quota peanuts were produced in the past. Those non-quota farms eligible for such allocations are only those farms on which peanuts were produced in two out of three of the years preceding the year in which a quota determination is being made.

Such farms will be eligible for allocations due to increases to state quotas resulting from: an increase in the national peanut poundage quota, allocations of peanut poundage quotas for quotas reduced for nonproduction, and allocations of peanut poundage quotas that have been released from other farms.

According to Hertz, the most significant provisions of the proposed regulations are as follows:

—ASCS will prorate any increase in a state's poundage quota equally among quota and non-quota farms based upon the number of farms in each group. For quota farms, ASCS proposes further to prorate quota increases for each farm based upon the larger of either the poundage quota for the farm for the preceding crop year or the average of the two highest quantities of peanuts which were produced on the farm in the three years preceding the year for which the quota allocation is being made. Quotas will be prorated among non-quota farms based upon the average for each farm of the two highest quantities of peanuts which were produced in the three years preceding the year for which the quota allocation is being made.

—ASCS also modified the rules which govern reductions of quotas for nonproduction. The new rules require a reduction of quota to the extent that the quota was not actually produced (or considered produced) on a farm in 2 of the 3 years preceding the year for which a quota determination is being made. Previous quota reductions were limited to the quantity necessary to achieve a specified reduction in a state's quota. Also, for the 1986-90 crop years, a farm poundage quota will be considered produced only if production of the quota was not possible as a result of a natural disaster or other condition beyond the producer's control.

—Farm poundage quotas which are reduced for non-production or permanently released will be prorated among quota and non-quota farms within a state based upon the quantity of peanuts produced on the farms which are eligible for such allocations. However, the proposed regulations provide that at least 25 percent of the poundage quotas which are available for apportionment must be distributed to non-quota farms.

Hertz said that the proposed regulations permit owners or operators of peanut farms to temporarily release quotas to the ASCS State office for reapportionment for one year. The proposed regulations provide that the ASCS state committee would allocate the released quota to farms that request reapportioned quota.

The provisions of the 1985 Act and the proposed regulations permit fall leases only if the quota established for the transferring farm has been planted.

The proposed regulations appear in the April 1 Federal Register. Individuals may submit written comments to: Director, Tobacco and Peanuts Division, USDA-ASCS, P.O. Box 2415, Washington, D.C. 02113. Comments will be available for public inspection during business hours in room 5750-S of USDA's south building.

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USDA ANNOUNCES ADDITIONAL RESULTS OF HEPTACHLOR TESTING

WASHINGTON, April 1—The U.S. Department of Agriculture today reported that tests on meat samples for heptachlor residues show only 12 of 352 samples analyzed to date contain illegal levels of the pesticide. USDA also reports that tests so far have found no heptachlor contamination in meat products destined for school lunches.

USDA initiated the special testing program after the Food and Drug Administration discovered heptachlor in milk from dairy herds in Arkansas, Missouri and Oklahoma.

The test results announced today identify six new meat samples containing heptachlor in amounts that violate federal regulations. The six new samples are from hogs that originated from two farms in Missouri and Arkansas. Last week, initial test results identified six other meat samples—three from dairy cattle, two from beef cattle and one from a hog— containing illegal levels of heptachlor. The current total of twelve positive samples come from eight farms.

"These data further confirm our belief that there appears to be no widespread problem with heptachlor contamination of the meat supply", said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service. "However, we have initiated further testing of commercial meat and poultry and of meat products destined for school lunches to assure the problem remains under control."

Houston also said USDA has established an on-site field office at the State Health Department in Little Rock, Ark., to oversee the sampling and traceback of animals and to coordinate federal, state and local efforts to control the problem.

Tests on meat products for school lunches have been performed to date

on 22 samples, all of which were negative for heptachlor contamination. USDA will continue tests on a total of approximately 360 samples taken from hamburger processed for the school lunch program by five plants known to have received animals or raw meat from the affected area. Houston said USDA has no direct evidence that products from the plants are contaminated, and that the the sampling and testing of products from these plants is a precautionary measure.

USDA is continuing its special residue sampling program to monitor beef, hogs, sheep and poultry for heptachlor residues in slaughter plants in Missouri, Oklahoma, Arkansas, and Kansas. During April, USDA plans to take approximately 250 samples per week. Houston said testing of samples would be expanded if necessary to include any state that is identified as having received animals for slaughter from the affected area.

When testing on a sample shows a positive result for the presence of heptachlor, USDA initiates a traceback to the farm where the animal originated. Any additional animals coming to slaughter from that farm are held and tested at the slaughterhouse. USDA has also instituted procedures for holding and testing dairy cattle from affected herds.

According to Houston, consumers who eat a varied diet are not likely to receive excessive amounts of the pesticide. He advises producers with contaminated herds to take extra precautions since their exposure to the pesticide is likely to be greater. Producers with contaminated herds are advised not to use their meat or dairy products for home consumption, he said.

The pesticide heptachlor was banned for most agricultural uses in 1978, after it was found to be a potential carcinogen. It is still approved for use below ground to control termites.

USDA's Food Safety and Inspection Service is responsible for inspecting meat and poultry products to ensure they are safe, wholesome and accurately labeled.

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USDA ANNOUNCES 1986-CROP HONEY LOAN RATES

WASHINGTON, April 1—Secretary of Agriculture Richard E. Lyng today announced that honey producers will receive an average price support loan rate of 64.0 cents per pound on their 1986 production, as required by the Food Security Act of 1985. The new rate is 1.3 cents below the 1985 level.

Extracted honey loan rates will range from 67.1 cents to 52.2 cents per pound, depending on color and class, Lyng said.

The rates, which apply to extracted honey in 60-pound or larger containers, are:

COLOR AND/OR CLASS	CENTS PER POUND
White or lighter	67.1
Extra light amber	63.1
Light amber	58.2
Other table and non-table honey	52.2

Loans will be offered on 1986-crop honey in eligible containers on or off farms. Producers have until Jan. 31, 1987, to request loans that will mature April 30, 1987.

Producers with honey price support loans will be permitted to buy back their loans at the price support rate or a lesser price as determined by the secretary of agriculture.

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PEANUT GROWERS APPROVE POUNDAGE QUOTAS

WASHINGTON, April 1—Final results of a referendum held Jan. 27-31 show that peanut producers have approved poundage quotas for the 1986 through 1990 crops, according to Milton Hertz, acting administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

Of the 21,456 votes cast, 20,904 or 97.4 percent, favored quotas and a loan program for the next five crop years, Hertz said. Two-thirds of the farmers voting must favor continuing the peanut program for quotas to remain in effect.

The number of farmers voting was down from the 38,771 voting in the 1982 referendum, when 94 percent was in favor of quotas, Hertz said.

Final Results of January 27-31, 1986
Peanut Quota Referendum
for the 1986 through 1990 crops

ıte	Ballots Cast Yes	No	Total	% Yes
abama	2,539	36	2,575	99
izona	7	2	9	78
kansas	48	1	49	98
lifornia	3	0	3	100
orida	1,172	64	1,236	95
eorgia	6,668	135	6,803	98
uisiana	6	0	6	100
ississippi	105	3	108	97
issouri	4	0	4	100
ew Mexico	127	7	134	95
orth Carolina	3,327	63	3,390	98
klahoma	1,281	30	1,311	98
uth Carolina	277	5	282	98
nnessee	11	2	13	85
xas	3,972	150	4,122	96
rginia	1,357	54	1,411	96
TOTAL	20,904	552	21,456	97.4

CC LOAN INTEREST RATE LOWERED TO 7-¼ PERCENT

WASHINGTON, April 1—Commodity loans disbursed in April by the .S. Department of Agriculture's Commodity Credit Corporation will rry a 7-¼ percent interest rate, according to Acting CCC Executive ice President Milton Hertz.

The new rate, down from 7-5/8 percent, reflects the interest rate harged CCC by the U.S. Treasury in April The new rate is the lowest nce February of 1978.

USDA ANNOUNCES FINAL REGULATIONS FOR DAIRY COLLECTION PLAN

WASHINGTON, April 1—The U.S. Department of Agriculture today announced final regulations implementing the dairy assessments mandated by the Food Security Act of 1985 and the Food Security Improvements Act of 1986. The regulations become effective today.

The 1985 Act mandated a reduction of 40 cents per hundredweight in the price received by producers for milk produced in the 48 contiguous states and marketed for commercial use during the period April 1 - Dec. 31, 1986. The 1985 Act also mandated a reduction of 25 cents per hundredweight in the price received by milk producers during the period Jan. 1 - Sept. 30, 1987.

The 1986 Food Security Improvements Act mandated an additional reduction of 12 cents per hundredweight in the price received by milk producers for milk marketed during the period April 1 - Sept. 30, 1986. This reduction is in lieu of reductions in Commodity Credit Corporation purchase prices for milk and milk products, which would have been necessary to comply with the President's sequestration order under the Balanced Budget and Emergency Deficit Control Act of 1985 (the Gramm-Rudman-Hollings Act).

Generally, persons paying producers for milk will be required to make the reductions and remit the funds represented by the reductions to the CCC. In some instances, however, producers will be required to remit the funds directly to the CCC. USDA's Agricultural Marketing Service will administer the program.

USDA SETS APRIL 15 DEADLINE FOR REQUESTING RICE PROGRAM PAYMENTS

WASHINGTON, April 2—Producers of 1985-crop rice who wish to receive program payments from the U.S. Department of Agriculture must make their requests no later than April 15, Secretary of Agriculture Richard E. Lyng said today.

Rice cooperatives eligible to receive these payments on the producer's behalf for 1985-crop rice delivered to them under a marketing agreement must meet the April 15 deadline also, Lyng said.

Producers may request payment for 1985-crop rice which, although eligible for loan on a purchase agreement, was not pledged as loan collateral and was not the subject of a purchase agreement. Producers also may request payments for 1985-crop rice which was ineligible to be pledged as loan collateral, if the rice has not been sold or delivered under a sales contract.

The cash payments will be computed by multiplying the quantity of such rice by a payment rate equal to the difference between the loan level for the 1985 crop and the loan repayment rate (the prevailing world market price).

Since these payments are a new program benefit not provided for in the 1985 rice program contracts, a reduction of 4.3 percent will apply to such payments to comply with President Reagan's Feb. 1 sequester order issued under the Balanced Budget and Emergency Deficit Control Act of 1985, the Gramm-Rudman-Hollings act.

County offices of USDA's Agricultural Stabilization and Conservation Service will process the requests.

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DAIRY PROGRAM TO ADD ONLY SLIGHTLY TO 2ND-QUARTER BEEF SUPPLY

WASHINGTON, April 2—Additional slaughter resulting from the U.S. Department of Agriculture's dairy whole-herd buy-out program will add only slightly to second-quarter beef supplies, a USDA official said today.

Ewen M. Wilson, deputy assistant secretary for economics, said analysis by USDA's Economic Research Service points to 250-275 million pounds, or 3-4 percent, more beef in the second quarter as a result of the dairy program. In the third quarter, beef supplies are expected to increase about 3 percent, or 160-190 million pounds, Wilson said.

From April 1 through Aug. 31, the first of three periods of the buy-out program, USDA will contract with 9,503 dairy farmers for slaughter of 633,176 cows, 216,970 heifers and 165,900 calves. Under program provisions, cows and bred heifers must be slaughtered within 15 days of the date of the sale of the animal, or exported within 45 days, but not later than Aug. 31. For the April-August period, unbred heifers and calves may be put on feed but must be slaughtered by Sept. 30 or exported within 45 days, but not later than Aug. 31.

Sharpest slaughter increases will occur for cow beef, Wilson said, primarily for April through August—the first of the three program periods. Dates for the other two program periods are Sept. 1-Feb. 28 and March 1-August 31, 1987.

However, Wilson stressed that about 30 percent of these cows would have been slaughtered anyway, given the normal culling rate of the dairy herd. Also, he said, heifers and calves going to market will be of lighter weight, thus adding less to overall supplies. Total cattle slaughter for the last three quarters in 1986 are expected to average at least 1-3 percent below last year's level, he said.

Wilson noted that provisions in the Food Security Act of 1985 to remove excess red meat supplies from the market can largely offset the impact of the increased slaughter. On March 28, USDA said it would buy 400 million pounds of red meat in addition to amounts normally purchased for the school lunch and other domestic feeding programs. USDA also is negotiating with the Defense Department on additional DOD use of red meat as specified in the farm bill (included in the 400 million pounds).

Purchases of canned beef and ground beef will begin immediately and purchases of other red-meat items will be timed to coincide with slaughter under the termination program and to assist markets. Other purchases under consideration include ham, beef roasts and other red meat items. Of the 400 million pounds, 200 million will be for domestic use, and the remaining 200 million pounds of red meat will be available for export.

Potential also exists, Wilson said, for export of some of the cattle as producing dairy animals and heifers, thus further reducing the burden on domestic meat supplies.

Also, the United States has a 10,000-ton (22-million-pound) quota for high quality beef into the European Community. This has never been filled and could provide a market for some additional meat.

86/15

United States Department of Agriculture

Office of Information

Selected Speeches and News Releases

April 4, 1986 - April 10, 1986

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IN THIS ISSUE:

News Releases—

Marketing Quotas Approved by Burley Tobacco Growers

Iraq Eligible for Export Enchancement Program for Dairy Cattle

USDA Issues Supplement to Environmental Impact Statement for Grasshopper Control

Algeria Eligible for Export Enhancement Program for Eggs

USDA Invites Tender Offers from EC for Sale of U.S. Beef

USDA Revises Country, Commodity Public Law 480 Allocations for Fiscal 1986

Benin Eligible for Wheat Under the Export Enchancement Program

USDA to Designate Great Britian Eligible to Export Poultry to United States

Universal Cotton Standards Conference Scheduled for May

Annual Youth and Adult Conference to Shape 4-H Future

New Law Modified Tobacco Program

New Law Sets 1986 Tobacco Supports

Syria Eligible for Wheat Under Export Enchancement Program

USDA Temporarily Suspends Sale of Pseudorabies Vaccine

USDA Guarantees Credit for Livestock to Mexico and Makes Indonesia Eligible for Dairy Cattle Purchases

Less Than 1 Percent of U.S. Agriculture Land is Foreign-Owned

Algeria Eligible for More Wheat Under the Export Enchancement Program

Yugoslavia Eligible for Wheat Under the Export Enchancement Program

21.24/2:

News Releases

U.S. Department of Agriculture • Office of Information

MARKETING QUOTAS APPROVED BY BURLEY TOBACCO GROWERS

WASHINGTON, April 3—Preliminary results from a mail referendum held March 24-27 show that burley tobacco growers have approved marketing quotas for crop years 1986 through 1988, Milton Hertz, acting administrator of the U.S. Department of Agriculture's Agriculture Stabilization and Conservation Service announced today.

Hertz said results from the seven burley-producing states show 175,972 of the 181,453 growers voting—nearly 97 percent—voted in favor of quotas. A vote of at least two-thirds in favor was necessary for continuing quotas and supports for the three-year period.

In the previous burley mail referendum, 97 percent of participating burley growers voted in favor of quotas for the 1983, 1984 and 1985 crops, Hertz said.

Preliminary results, by state, follow:

STATE	YES VOTE	NO VOTE	TOTAL VOTE	PERCENT IN FAVOR
Indiana	5,640	250	5,890	95.76
Kentucky	107,541	1,773	109,314	98.38
North Carolina	7,423	237	7,660	96.91
Ohio	7,001	242	7,243	96.66
Tennessee	38,986	2,445	41,431	94.10
Virginia	7,885	467	8,352	94.41
West Virginia	1,496	67	1,563	95.71
TOTALS	175,972	5,481	181,453	96.98

#

IRAQ ELIGIBLE FOR EXPORT ENCHANCEMENT PROGRAM FOR DAIRY CATTLE

WASHINGTON, April 3—Under secretary of Agriculture Daniel G. Amstutz announced today that a dairy cattle offer to Iraq will be the 20th initiative under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of U.S. dairy cattle will be made to buyers in Iraq at competitive world prices.

Amstutz said this program will give U.S. exporters the opportunity to sell up to 6,500 head of dairy cattle. The export sales will be subsidized with commodities from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Iraqi market in response to future tenders for dairy cattle.

Details of the program and an invitation for offers from exporters will be issued in the near future. For futher information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

#

USDA ISSUES SUPPLEMENT TO ENVIRONMENTAL IMPACT STATEMENT FOR GRASSHOPPER CONTROL

WASHINGTON, April 3—The U.S. Department of Agriculture today issued a final supplement to the Final Environmental Impact Statement on the Rangeland Grasshopper Cooperative Management Program.

USDA's Animal and Plant Health Inspection Service helps control grasshoppers and Mormon crickets on western rangeland. According to APHIS Administrator Bert W. Hawkins, the agency participates with western states, federal land managers and landowners in carrying out surveys to determine where economically damaging infestations are likely to occur and, upon request, conducts treatments to control them.

The final supplement to the impact statement discusses the history of the program, includes background on grasshoppers and addresses the environmental impact of several management alternatives. The management alternative chosen by APHIS is integrated pest management, which includes the use of pesticides as well as Nosema locustae, a

protozoan used as a biological agent to control grasshoppers. Nosema locustae is applied in a bait formula and is slow acting; effects on grasshopper populations may not be evident for 30 days or longer. Chemical pesticides reduce grassshopper populations within two to three days.

The original environmental impact statement was issued in July 1980. A draft supplement to this statement was published in the Jan. 9 Federal Register. Comments received on this document were considered in finalizing the supplement. Responses to each comment are included in the final supplement.

The supplemental environmental impact statement is intended for the 1986 treatment program only. Before beginning a program in 1987, APHIS will prepare a new environmental impact statement to address treatment programs in 1987 and subsequent years.

The final supplement to the environmental impact statment is scheduled for publication April 4 in the Federal Register. Copies of the final supplement are available by mail from Charles H. Bare, Field Operations Support Staff, Animal and Plant Health Inspection Service, Room 663, Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782, phone (301) 436-8295; or from the office of Plant Protection and Quarantine, Animal and Plant Health Inspection Service, Room 302-E, USDA, Washington, D.C. 20250.

#

ALGERIA ELIGIBLE FOR EXPORT ENHANCEMENT PROGRAM FOR EGGS

WASHINGTON, April 3—Under Secretary of Agriculture Daniel G. Amstutz announced today that an offer for eggs for human consumption to Algeria will be the 21st initiative under the U.S. Department of Agriculture's Export Enhancement Program. As with previous annnouncements under this program, sales of U.S. eggs will be made to buyers in Algeria at competitive world prices.

Amstutz said this program will give U.S. exporters the opportunity to sell up to 500 million eggs. The export sales will be subsidized with commodities from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Algerian market in response to future tenders for eggs for human consumption.

Details of the program and an invitation for offers from exporters will be issued in the near future. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225

#

USDA INVITES TENDER OFFERS FROM EC FOR SALE OF U.S. BEEF

WASHINGTON, April 4—Under Secretary of Agriculture Daniel G. Amstutz today announced the U.S. Department of Agriculture's Commodity Credit Corporation will invite tender offers from European Community importers on the sale of U.S. high-quality beef.

Accepted tenders will be filled with federally inspected high-quality beef from U.S. suppliers. U.S. suppliers in turn will bid against accepted tenders, supplying product on a free-along-side or free-on-board basis as bid by European importers. CCC will review and evaluate all European and U.S. bids for purchase and supply.

Amstutz said the invitation for tender offers is part of the red meat purchase requirements mandated by the Food Security Act of 1985 to minimize the adverse effects of the milk production termination program on beef, pork, and lamb producers.

All sales under this invitation will count toward fulfilling the current EC quota of 10,000 metric tons for U.S. high-quality beef. The quota was part of the agreement between the United States and the EC which was concluded during the Multilateral Trade Negotiations in 1979.

The invitation will remain in effect until Oct. 1, 1987. Details of the program and the actual invitation to participate will be issued in the near future.

#

USDA REVISES COUNTRY, COMMODITY PUBLIC LAW 480 ALLOCATIONS FOR FISCAL 1986

WASHINGTON, April 7—The U.S. Department of Agriculture today issued its revised country and commodity allocations for fiscal 1986 under Titles I and III of Public Law 480 (the Food for Peace program).

Under Secretary of Agriculture Daniel G. Amstutz said current program plans provide for distribution of $888.3 million in commodity

shipments, down from $946.7 million the previous quarter. Of the current amount, $844.4 million is currently allocated and $43.9 million is being held in a reserve to furnish commodities for unforeseen needs during the remainder of the fiscal year. An estimated $7.7 million has been designated to be used for ocean freight financing for Mozambique, Somalia and Sudan. Also, a new country, Ecuador, has been identified for an allocation, and minor quantity changes were made in some countries.

The revised allocations meet the legal requirement of Section lll of P.L. 480, which directs that not less than 75 percent of food aid commodities be allocated to friendly countries that meet the International Development Association's poverty criterion. Currently, the countries in this category are those with an annual per capita gross national product of $790 or less.

Amstutz said the program takes into account many variables including commodity and budget availabilities; changing economic and foreign policy situations, including human rights assessments; potential for market development; fluctuations in commodity prices; availability of handling, storage and distribution facilities; and possible disincentives to local production.

Except for agreements already signed, these allocations represent neither final U.S. commitments nor agreements with participating governments. Situations still may develop which could cause a further change in country and commodity allocations, Amstutz said.

Title I of P.L. 480 is a concessional sales program designed to promote exports of agricultural commodities from the United States and to foster economic development in recipient countries. The program provides loans of up to 40 years, with a grace period of up to l0 years and low interest rates.

Title III provides for the forgiveness of the debt incurred under Title I, based on accomplishments in food-for-development programs and projects agreed upon by the United States and recipient countries.

Additional technical information on the P.L. 480 program is available from Mary Chambliss of USDA's Foreign Agricultural Service, (202) 447-3573.

A complete list of allocations to each country may be obtained from USDA's Foreign Agriculture Service, Office of Public Affairs, Room

5074-S, Washington, D.C. 20250; telephone (202) 447-7115.

#

BENIN ELIGIBLE FOR WHEAT UNDER THE EXPORT ENHANCEMENT PROGRAM

WASHINGTON, April 7—Acting Under Secretary of Agriculture Richard W. Goldberg announced today that an offer for wheat to Benin will be the twenty-second initiative under the U.S. Department of Agriculture's Export Enhancement Program. As with previous annnouncements under this program, sales of U.S. wheat will be made to buyers in Benin at competitive world prices.

Goldberg said this program will give U.S. exporters the opportunity to sell up to 45,000 tons of wheat. The export sales will be subsidized with commodities from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Benin market in response to future tenders for wheat.

Details of the program and an invitation for offers from exporters will be issued in the near future. For future information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

#

USDA TO DESIGNATE GREAT BRITAIN ELIGIBLE TO EXPORT POULTRY TO UNITED STATES

WASHINGTON, April 8—The U.S. Department of Agriculture has proposed adding Great Britain to the list of countries eligible to export poultry products to the United States.

"Under the Poultry Products Inspection Act, a country must maintain inspection standards that are at least equal to U.S. requirements to be eligible to export poultry products here," said Donald Houston, administrator of USDA's Food Safety and Inspection Service.

"Before eligibility is granted, USDA evaluates the country's inspection system, reviews the laws and regulations governing the inspection program and makes on-site visits to review inspection operations in the plants," explained Houston. Houston said the inspection system in Great Britain has met all the required standards.

Written comments on the proposal may be sent no later than June 9 to:

Regulations Office, Food Safety and Inspection Service, USDA, Room 3803 South, Washington, D.C. 20250. Oral comments may be made to Dr. William Havlik, Director, Foreign Programs Division, International Programs, (202) 447-2644.

Notice of this action will appear in the April 9 Federal Register.

#

UNIVERSAL COTTON STANDARDS CONFERENCE SCHEDULED FOR MAY

WASHINGTON, April 8—Officials with the U.S. Department of Agriculture, representatives of the domestic cotton industry and delegates from 14 foreign cotton associations will participate in the 21st triennial session of the Universal Cotton Standards Conference in Memphis, Tenn., a USDA official announced today.

Jesse F. Moore, an official with USDA's Agricultural Marketing Service, said the opening session of the May 15-16 conference will be held in the Heritage Room of the Holiday Inn Crowne Plaza Hotel, 250 N. Main Street, Memphis, beginning at 9:00 a.m. The afternoon session on May 15 and all sessions on May 16 will be conducted at USDA's Cotton Division offices at 4841 Summer Ave. in Memphis.

Moore said participants will review newly prepared copies of the current standards for use during the 1986-87 crop year. Delegates will also consider a USDA proposal to modify the size of leaf particles in the physical standards, adopting the tentative "Strict Good Ordinary Spotted" physical standard and "Strict Good Ordinary Light Spotted" descriptive standard which have been in use since August, 1984, and eliminating certain rarely used standards.

James C. Handley, AMS Administrator, and Lloyd Cline, president of the National Cotton Council, will address the opening session.

Under provisions of the Universal Standards Agreement, international cotton associations agree to make the Official Cotton Standards of the United States for Grades of Upland Cotton the basis of all contracts in which grades are specified. The signatory delegates represent cotton associations in Beligum, Great Britian, Egypt, France, West Germany, India, Italy, Japan, Netherlands, Poland and Spain.

For more information contact D.F. McNabb, AMS Cotton Division,

4841 Summer Ave., Memphis, Tenn.; telephone (901) 521-2937.

#

ANNUAL YOUTH AND ADULT CONFERENCE TO SHAPE 4-H FUTURE

WASHINGTON, April 8—More than 325 youths and adults will be in Washington April 12-18 to exchange viewpoints and chart directions for the nationwide 4-H youth program.

Delegates to the 56th National 4-H Conference at the National 4-H Center in Chevy Chase, Md., will represent some 4.3 million youth and more than 600,000 4-H volunteer leaders.

Most of the delegates will meet in consulting groups and discuss a broad range of topics before their recommendations on 4-H programs and activities are formally presented, said Kemp Swiney, director of this year's conference and a national 4-H program leader with the U.S. Department of Agriculture's Extension Service. He said these recommendations will be studied closely at the U.S. Department of Agriculture and by a policy-setting group of the Cooperative Extension System across the country.

The agenda for the conference centers around this year's national theme—"4-H for Youth for America."

Delegates will include teenage 4-H members, adult volunteer leaders, and Cooperative Extension Service staff members from 45 states, the District of Columbia, Puerto Rico, and the Virgin Islands. Ten delegates from Canada will take part as a 4-H international exchange activity.

A conference highlight will be a Wednesday, April 16 visit to USDA, followed by a "4-H Day on Capitol Hill" when the delegates will report on 4-H to their members of Congress and watch the lawmakers in action.

The annual conference is conducted by USDA's Extension Service in cooperation with the Cooperative Extension Services of the nation's land-grant universities and the National 4-H Council.

#

NEW LAW MODIFIES TOBACCO PROGRAM

WASHINGTON, April 8—A new law cancels the flue-cured and burley tobacco quotas announced for the 1986 crops and makes several other

significant changes in the tobacco program, according to an official of the U.S. Department of Agriculture.

Milton Hertz, acting administrator of USDA's Agricultural Stabilization and Conservation Service said that the Combined Omnibus Budget Reconciliation Act of 1985, signed into law by President Reagan yesterday voids the flue-cured quota announced December 31 and the burley quota announced February 28. New quotas will be announced by April 28.

Under the new amendments to the Agricultural Act of 1938, flue-cured and burley quotas for 1986 and future years will be based on three factors: Intended purchases by cigarette manufacturers, average annual exports for the 3 preceeding years, and the amount of tobacco needed to attain reserve stock levels. Quota reductions for flue-cured and burley will be limited to 6 percent per year for 1986-89 and to 10 percent per year for 1990-93, according to Hertz.

Other modifications to the tobacco program include:

—USDA's discretion for setting flue-cured and burley quotas will be limited to not more than 103 percent or less than 97 percent of the amount determined by manufacturers needs, exports and reserve stock levels.

—The amount of flue-cured and burley tobacco that can be marketed without penalty has been reduced from 110 to 103 percent of the farm marketing quota.

—Buyers and growers will Equally share no-net-cost assessments.

—U.S. cigarette manufacturers have agreed to buy the inventory of the 1976-84 crops from loan associations with substantial discounts for the 1976-81 crops.

—By May 7, the Commodity Credit Corporation must acquire the 1983 burley crop under loan by calling in loans and then offering the tobacco for sale.

#

NEW LAW SETS 1986 TOBACCO SUPPORTS

WASHINGTON, April 8—The Combined Omnibus Budget Reconciliation Act of 1985, signed into law by President Reagan yesterday lowers the recently announced price support for flue-cured tobacco by 16 percent and freezes the support price for burley tobacco, an official of the U.S. Department of Agriculture said today.

Milton Hertz, acting administrator of USDA's Agricultural Stabilization and Conservation Service, said the new law lowers the flue-cured support for the 1986 crop price to $1.438 a pound from the $1.717 announced March 4. It also freezes the burley support price at $1.488, the same support level as the 1985 crop.

In future years, flue-cured and burley support levels will be based on statutory formulas described in the Agricultural Act of 1949, as amended. The amended act bases supports on a 5-year moving average of market prices and on a cost-of-production index.

For the six other kinds of tobacco that receive support, the amended law continues the procedure of adding a formula-determined change to the previous year's level of support; however, upon request by any of the 10 loan associations, the Secretary of Agriculture may reduce support levels for their respective tobaccos below those called for by the statute, if market conditions warrant.

#

SYRIA ELIGIBLE FOR WHEAT UNDER EXPORT ENHANCEMENT PROGRAM

WASHINGTON, April 8—Secretary of Agriculture Richard E. Lyng today announced that an offer for wheat to Syria is the latest initiative under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of wheat will be made to buyers in Syria at competitive world prices.

Lyng said the initiative will give U.S. exporters the opportunity to sell up to 700,000 tons of wheat. The export sales will be subsidized with wheat from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Syrian market in response to future tenders for wheat.

For this initiative, CCC will consider offers from U.S. exporters for the export only of hard red winter, soft red winter and white wheat.

This initiative is the 23rd announced under the Export Enhancement Program.

Details of the program and an invitation for offers from exporters will be issued in the near future. For more information call William Randolph (202) 382-9254, or Larry McElvain (202) 447-6225.

#

USDA TEMPORARILY SUSPENDS SALE OF PSEUDORABIES VACCINE

WASHINGTON, April 8—The license and sale of a recently released genetically engineered live virus vaccine for pseudorabies, a disease deadly to swine, was suspended today for two weeks by the U.S. Department of Agriculture with voluntary agreement by the producer of the product.

"Genetically engineered vaccines are an important part of the animal health scene," said Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service.

"We have been actively regulating such products for several years through our agency.

"It is important that we continue our record of safety in the approval of genetically engineered products and that we follow all required procedures, including the technical requirements of the National Environmental Policy Act," Hawkins said.

"To help us assure that all these steps are taken, the vaccine manufacturer has agreed with us to suspend the license and sale of this product for two weeks from April 9 through April 22 while APHIS formalizes the documentation that is required.

"Our veterinarians and scientists have a 100-year track record of protecting America's animal health—including veterinary biologics such as vaccines," said Hawkins.

"Our recent approval of this pseudorabies vaccine made from a modified live virus was a careful, measured step.

"Hawkins said that in this instance, the applicant merely removed part of a naturally occurring virus to make a vaccine that protects swine against pseudorabies. He said that the modified vaccine is far safer than other kinds of conventional pseudorabies vaccines because it is less virulent, less invasive and its growth in host tissues is more limited.

In addition, the new vaccine has not harmed innoculated cattle, sheep or goats during experimental testing.

The new vaccine is safer because a key enzyme that permits pseudorabies virus to grow in neural tissues was "engineered" out of it. This advantage was substantiated by the manufacturer, the Biologics

Corporation of Omaha, Neb., and is recognized in a patent granted for the engineered virus.

Through all phases of the vaccine research, local industrial biosafety committees reviewed and approved the necessary stages needed to develop the vaccine prior to submission to APHIS. Government scientists checked the manufacturer's tests to be sure that the engineered pseudorabies virus was stable. The company proved its ability to produce the same altered virus in successive batches of test runs. Additional tests showed that the vaccine made from the altered virus did not harm pigs vaccinated with the product. Furthermore, both the manufacturer and APHIS maintain a monitoring system to confirm that the product does not cause infection or undesired side-effects.

"A special concern with any genetically engineered organism is whether it could spread into the environment. Extensive tests of this product showed that the vaccine does not spread beyond the vaccinated pig," Hawkins said.

"Although genetically engineered vaccines represent a small number of products we license, we believe that they will become increasingly important in preventing disease," said Hawkins.

"Therefore, APHIS is keeping abreast of the technology and has established a special Biotechnology and Environmental Coordinating Policy Staff to be sure that our licensing procedures will continue to assure the general public as well as livestock producers that vaccines and other veterinary biologics remain pure, safe, potent and effective.

#

USDA GUARANTEES CREDIT FOR LIVESTOCK TO MEXICO AND MAKES INDONESIA ELIGIBLE FOR DAIRY CATTLE PURCHASES

WASHINGTON, April 9—Secretary of Agriculture Richard E. Lyng today authorized $50 million in additional credit guarantees to U.S. exporters so Mexico can purchase U.S. breeding livestock under the Commodity Credit Corporation Credit Guarantee Program in fiscal year 1986.

Lyng also announced an offer of dairy cattle to Indonesia under the U.S. Department of Agriculture's Export Enhancement Program.

"These two actions help USDA intensively pursue its red-meat purchasing policy to offset the market impact of increased slaughter of

cattle under the dairy whole-herd buyout program," said Lyng.

Lyng said the program to offer dairy cattle to Indonesia will give U.S. exporters the opportunity to sell up to 7,500 head. The export sale will be subsidized with commodities from the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Indonesian market in response to future tenders for dairy cattle.

As with previous announcements under this program, sales of U.S. dairy cattle will be made to buyers in Indonesia at competitive world prices. This is the 24th initiative announced under the Export Enhancement Program.

"We expect about two-thirds of the total dairy herd liquidation to take place in the first period of the buyout program—April 1 through Aug. 31," Lyng said, "and we are taking all measures possible to purchase an equivalent amount of red meat in that time period."

USDA is required to buy a total of 400 million pounds of red meat under the provisions of the Food Security Act of 1985. These purchases will be in addition to those USDA would regularly make for distribution to the school-lunch program and other domestic feeding programs.

Lyng said weekly canned beef purchases will begin the week of April 14 and frozen ground beef purchases will begin the week of April 21.

"In addition, details on a purchase program for frozen hams will be available by early next week," Lyng said. The act requires the purchase of 'red meat,' which covers more than just beef."

Lyng said 200 million pounds of meat will be donated to domestic nonprofit charitable institutions for the needy, to nonprofit summer camps for children and to other child nutrition programs, including the school lunch program. The remaining 200 million pounds will be exported.

USDA has already announced its intention to tender for the sale of high-quality beef to the European Community. "This will allow the United States to fully utilize the 10,000-ton per year quota for high-quality beef granted by the EC during the 1979 Tokyo Round," Lyng said. "We will also be providing beef and other red meat to the Department of Defense for use in comissaries on military installations located outside the United States."

A total of 14,000 head of cattle are scheduled for sale under the Export Enhancement Program, including 6,500 to Iraq as well as the 7,500 to Indonesia. "These sales and others to select targeted countries should be sufficient to meet the export requirements of the Food Security Act of 1985," Lyng said.

He said purchase of the balance of the required 400 million pounds will be coordinated with the other two six-month periods in the buyout program—Sept. 1, 1986, through Feb. 28, 1987, and March 1 through Aug. 31, 1987.

"There are no logistical nor financial problems from the USDA standpoint that will prevent us going full speed ahead in our purchasing policy," Lyng said. "We are not only ready to consider all reasonable offers but we are also diligently seeking them."

#

LESS THAN 1 PERCENT OF U.S. AGRICULTURAL LAND IS FOREIGN-OWNED

WASHINGTON, April 10—Foreign interests owned 12.1 million acres, or slightly less than 1 percent, of U.S. agricultural land as of Dec. 31, 1985, according to the U.S. Department of Agriculture's Economic Research Service.

These and other findings are based on an analysis of reports submitted to USDA under the Agricultural Foreign Investment Disclosure Act of 1978, said J. Peter DeBraal, a research attorney with ERS. The 12.1 million acres are 1.9 million below the acreage reported in 1984, primarily due to technical reasons, he said.

The drop results from a change in status—from foreign to nonforeign—of two U.S. corporations with combined holdings of 2.3 million acres of agricultural land. It also results from a data-base reduction of 1 million acres now exempted from reports due to changes in the reporting requirements which became effective Oct. 9, 1984. This 3.3-million acre reduction was partially offset by net foreign acquisitions of 100,000 acres and a status change from nonforeign to foreign of a U.S. corporation with holdings of 1.3 million acres.

Additional details on foreign ownership include:

—Forest land accounts for 51 percent of all foreign-owned acreage, cropland for 17 percent, pasture and other agricultural land for 27 percent, and nonagricultural and unreported uses for 5 percent.

—Corporations own 83 percent of the foreign-held acreage; partnerships, 9 percent; and individuals, 7 percent. The remaining 1 percent is held by estates, trusts, associations, institutions and others.

—U.S. corporations in which foreign persons (individuals or entities) have a significant interest or substantial control reported owning 56

percent of all the foreign-held acreage. The remaining 44 percent of foreign-held acreage is held by foreign persons not affiliated with a U.S. corporation.

—Some land is held only in part by foreign investors. These partial interests reduce the 12.1 million acres of foreign holdings of U.S. agricultural land to an equivalent of 11.1 million acres.

—Foreign investors from the United Kingdom, Canada, West Germany, the Netherlands Antilles and Switzerland own 70 percent of the foreign-held acreage.

—The largest foreign-owned acreage, mostly timberland, was reported in Maine. Foreign holdings account for 10.1 percent of Maine's privately owned agricultural land. These holdings represent about 16 percent of all the reported foreign-owned land nationwide. Three large timber companies own 90 percent of the foreign-held acres in Maine: two are Canadian; the third is a U.S. company which is partially foreign-owned.

—Except for Maine, foreign holdings are concentrated in the South and West—34 percent in each. Rhode Island is the only state with no reported foreign-owned agricultural land.

—Foreign owners said they planned to keep 92 percent of their acreage in agricultural production. They also reported they plan no change in tenancy or rental arrangements on 46 percent of the acres, some change on 28 percent of the acres and "no response" for the remaining 25 percent.

Data gathering and analysis of foreign landholdings cost USDA approximately $335,000 in 1985.

#

ALGERIA ELIGIBLE FOR MORE WHEAT UNDER THE EXPORT ENHANCEMENT PROGRAM

WASHINGTON, April 10—Secretary of Agriculture Richard E. Lyng today announced an additional offer for nondurum wheat to Algeria under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of wheat will be made to buyers in Algeria at competitive world prices.

Lyng said this program will give U.S. exporters the opportunity to sell an additional
1 million metric tons of wheat. The export sales will be subsidized with wheat from the inventory of the Commodity Credit Corporation. The

subsidy will enable U.S. exporters to compete at commercial prices in the Algerian market in response to future tenders for wheat.

The first initiative to Algeria for nondurum wheat was announced last June. Algeria purchased 1 million tons of wheat under that initiative, Lyng said.

An invitation for offers from exporters will be issued in the near future. For more information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

#

YUGOSLAVIA ELIGIBLE FOR WHEAT UNDER THE EXPORT ENHANCEMENT PROGRAM

WASHINGTON, April 10—Secretary of Agriculture Richard E. Lyng today announced that an offer for wheat to Yugoslavia is the latest initiative under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of U.S. wheat will be made to buyers in Yugoslavia at competitive world prices.

Lyng said this program will give U.S. exporters the opportunity to sell up to 200,000 tons of wheat. The export sales will be subsidized with wheat from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Yugoslavian market in response to future tenders for wheat.

Details of the program and an invitation for offers from exporters will be issued in the near future. This action represents the 25th initiative announced under the Export Enhancement Program. For more information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

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986/16

United States Department of Agriculture

Office of Information

Selected Speeches and News Releases

April 11, 1986 - April 18, 1986

IN THIS ISSUE

News Releases—

USDA Announces Prevailing World Market Rice Prices

USDA Recommends Indemnities for Dairy Farmers Hit by Heptachlor Emergency

Yemen Eligible for Wheat Flour, Mixed Poultry Feed Under Export Enchancement Program

USDA Proposes Fee Increase for Cotton Classing Services

USDA Announces Targeted Export Promotion Program for Citrus

U.S., China Reach Accord on Sixteen Scientific Exchanges for 1986

USDA Offers Rice Producers Payment Rate Options

USDA Announces Red Meat Purchases

USDA Announces Targeted Export Promotion Program for Raisins

Three Countries Eligible for Export Enchancement Program for Dairy Cattle Purchases

USDA Announces Targeted Export Promotion Program for Walnuts

USDA Announces Targeted Export Promotion Program for Canned Fruit

Second Signup for Conservation Reserve Program set for May 5-16

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News Releases

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USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, April 11—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the following prevailing world market prices of rice on a loan-rate basis:

Long grain whole kernels	6.78 cents per pound
Medium grain whole kernels	7.36 cents per pound
Short grain whole kernels	7.36 cents per pound
Broken kernels	3.40 cents per pound

Beginning April 15, producers may repay 1985-crop loans at these rates, which are effective until the next price announcement, anticipated on or before Tuesday, April 22.

The world market prices also will serve as the basis for calculating 1985-crop rice inventory payments.

Based on the world prices announced today, the repayment rates per hundredweight for farm-stored loans are $4.12 for long grain rice, $4.45 for medium grain rice and $4.45 for short grain rice.

Eugene Rosera (202) 447-5954

#

USDA RECOMMENDS INDEMNITIES FOR DAIRY FARMERS HIT BY HEPTACHLOR EMERGENCY

WASHINGTON, April 11—Dairy farmers facing losses from heptachlor-contaminated feed may soon be eligible for indemnity payments, Agriculture Secretary Richard E. Lyng announced today.

The administration has requested an emergency supplemental appropriation that would provide direct financial assistance to help dairy farmers through this disaster, he said.

The funds would be distributed through USDA's dairy indemnity

program, which USDA intends to extend to these farmers. Interim final rules for this action will be published next week in the Federal Register.

In mid-March Lyng dispatched an emergency dairy contamination task force to conduct an on-the-spot assessment of the pesticide contamination in Arkansas, Oklahoma and Missouri.

"Based on the task force's findings on production losses and number of cows under quarantine, an estimated $6 million will be needed to cover dairy farmers' claims," he said.

The administration has requested a $6 million package to fund the dairy indemnity program. "We urge the Congress to act quickly on this request," said Lyng.

More than 50 dairy herds remain under quarantine. Milk from the cows cannot be sold, and financial losses to farmers are threatening their operations, he said. Dairy products have been recalled in Arkansas, Kansas, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee and Texas.

"The limit for heptachlor in milk is 0.1 parts per million, but some farms have over 10 parts per million in their milk," Lyng said. "It may take anywhere from a few months to as long as two years before a dairy herd is 'clean' and free of heptachlor contamination."

According to Lyng, farmers with contaminated herds should file claims now with their county Agricultural Stabilization and Conservation Service office. This early filing process will expedite payments to producers upon congressional passage of the full funding request, he said.

On March 21, USDA authorized credit assistance to the stricken dairy farms. The Farmers Home Administration loans were announced as an interim measure until the administration could complete its review of the direct economic losses in the three-state area and determine how the estimated losses could be accommodated in the federal budget.

Bruce Merkle (202) 447-6787

#

YEMEN ELIGIBLE FOR WHEAT FLOUR, MIXED POULTRY FEED UNDER EXPORT ENHANCEMENT PROGRAM

WASHINGTON, Apr. 14—Secretary of Agriculture Richard E. Lyng today announced two offers to the Yemen Arab Republic under the U.S. Department of Agriculture's Export Enhancement Program. One offer is

for additional wheat flour and the other is for mixed poultry feed.

As with previous announcements under this program, sales of U.S. wheat flour and mixed poultry feed will be made to buyers in the Yemen Arab Republic at competitive world prices. Lyng said this program will give U.S. exporters the opportunity to sell an additional 100,000 tons of wheat flour, and these export sales will be subsidized with wheat from the inventory of the Commodity Credit Corporation.

U.S. exporters will also have the opportunity to sell up to 150,000 tons of mixed poultry feed. Those export sales will be subsidized with corn and barley from the CCC inventory.

The subsidies will enable U.S. exporters to compete at commercial prices in the Yemen Arab Republic market in response to future tenders for wheat flour or mixed poultry feed. The first initiative to the Yemen Arab Republic for wheat flour was announced last August. The Yemen Arab Republic purchased 31,500 tons of wheat flour under that initiative, Lyng said.

The offer for poultry feed is the twenty-sixth initiative announced under the Export Enhancement Program.

Details of the two initiatives, as well as invitations for offers from exporters, will be issued in the near future. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3488

#

USDA PROPOSES FEE INCREASE FOR COTTON CLASSING SERVICES

WASHINGTON, April 14—The U.S. Department of Agriculture is proposing to raise fees charged for cotton classing and other services to producers, a department official announced today.

Jesse F. Moore, an official with USDA's Agricultural Marketing Service, said the fee increase is needed because the projected 1986 cotton acreage indicates a smaller crop.

"Since there are substantial fixed costs in a classing operation," said Moore, "a smaller crop directly affects the per bale classing costs."

Fees charged producers for classing cotton will be increased to $1.08 per bale for the 1986 crop, up from $1.05. An additional fee for optional

High Volume Instrument classing will be raised from 45-cents per bale to 50-cents per bale and added to the proposed fee of $1.08 for manual classification. The current discount of five-cents per bale where fees are centrally billed through voluntary agents will continue in effect.

USDA is also proposing fee increases to cover increased costs for other cotton classing services, cotton linters grading, and the supervision of cottonseed grading. In addition, fees will be raised for cotton standards, cotton linters standards, and calibration cotton standards.

Notice of the proposed rule is scheduled to be published in the April 14 Federal Register. Comments and exceptions, postmarked by May 13 should be sent to John J. Korbol, Cotton Division, AMS, USDA, Washington, D.C. 20250; or telephone (202) 447-2259.

David Nutter (202) 447-8998

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR CITRUS

WASHINGTON, April.14—Secretary of Agriculture Richard E. Lyng today announced a special export market promotion program for fresh and processed citrus produced in Arizona and California.

The program is intended to help offset the adverse effects on California and Arizona citrus exports caused by preferential tariffs of the European Community and a retaliatory import duty imposed by the EC on U.S. lemons last November.

Lyng said the promotional activities will be carried out cooperatively between the U.S. Department of Agriculture's Foreign Agricultural Service and producers and packers of fresh and processed citrus in California and Arizona. FAS will reimburse participating firms for up to 75 percent of their cash outlays on approved promotional activities in eligible countries for the balance of the 1985-1986 marketing year, which ends Oct. 31. Reimbursement will be in the form of generic marketing certificates for commodities owned by the Commodity Credit Corporation.

Promotional activities will be concentrated in the Pacific Rim countries of Japan, Hong Kong, Singapore, Malaysia, Taiwan, Korea and New Zealand, Lyng said. This region purchased about 70 percent of all total U.S. fresh orange and lemon exports, which totaled $332 million in

1984-1985. Some activities may also be undertaken in Western Europe, Lyng said.

The export assistance program will be administered by FAS in accordance with Section 1124 of the Food Security Act of 1985.

Sally Klusaritz (202) 447-3448

#

U.S., CHINA REACH ACCORD ON 16 SCIENTIFIC EXCHANGES FOR 1986

WASHINGTON, April 14—The United States and the People's Republic of China have agreed on 16 agricultural scientific exchanges for 1986, Secretary of Agriculture Richard E. Lyng announced today.

The U.S. delegation to the 5th U.S.-P.R.C. Joint Working Group on Agricultural Cooperation in Science and Technology, which agreed on the exchanges at a recent meeting in Beijing, China, was led by Daniel G. Amstutz, Under Secretary for International Affairs and Commodity Programs.

U.S. teams will visit China to focus on forest pathology, integrated pest management of grasshoppers, horticulture systems research, plant and animal quarantine practices, genetic testing of U.S. tree species, irrigation and erosion control, and a citrus symposium.

Chinese teams will visit the United States to study animal quarantine procedures, windbreak technology, natural enemies of gypsy moths, crop germplasm, control of salinity and erosion, and improved techniques for soil and water conservation.

Since the program's inception in 1979, over 100 exchanges have taken place, involving more than 250 U.S. and Chinese scientists from the academic, private and government sectors.

Independent U.S. university and private sector involvement with China offers other new avenues for scientific exchanges.

"The U.S.-China exchange program helps us target high-priority topics of mutual interest and strengthen our collaboration," Lyng said.

"The program is an excellent example of peaceful cooperation between our two nations," he said. "Our joint scientific efforts foster a better understanding of common agricultural problems, and save each nation research time and funds."

Ken Greenberg (202) 475-4769

USDA OFFERS RICE PRODUCERS PAYMENT RATE OPTIONS

WASHINGTON, April 15—Milton Hertz, acting administrator of the U.S. Department of Agriculture's Agriculture Stabilization and Conservation Service, today announced provisions under which payment application will be made under the rice inventory payment program.

To be eligible to receive payments under the 1985-crop rice inventory payment program, producers must certify the quantity of rice which is eligible for such payment by April 15.

A producer may apply for a payment under this program at any time between April 15 and April 30. The payment rate will be based upon the prevailing adjusted world market price for rice which is in effect on the date the application for payment is made.

World prices will be effective upon announcement and will remain in effect until the subsequent announcement.

Producers may request payment for 1985-crop rice which, although eligible for loan or a purchase agreement, was not pledged as loan collateral and was not the subject of a purchase agreement and has not been sold or delivered under a sales contract. Producers also may request payments for 1985-crop rice which was ineligible to be pledged as loan collateral, if the rice has not been sold or delivered under a sales contract.

ASCS county offices will process the requests.

Bruce Merkle (202) 447-6787

#

USDA ANNOUNCES RED MEAT PURCHASES

WASHINGTON, April 15—Secretary of Agriculture Richard E. Lyng announced today that the Commodity Credit Corporation made its first purchase of red meat under the 400-million-pound purchase program authorized by the Food Security Act of 1985 and announced a new purchase program in support of the fed-beef market.

Lyng said the initial purchase of 5,762,880 pounds of canned beef is one of the largest single buys of this product. Contracts were awarded to all three firms submitting offers at prices ranging from $1.1699 to $1.2028 per pound.

Purchases of canned beef will continue to be made weekly. Bids are due again on Monday, April 21. Additionally, weekly purchases of frozen ground beef and smoked, fully cooked, shankless hams are scheduled to begin with bids due on April 21 and May 5, respectively.

Lyng also announced that CCC will begin buying high quality beef roasts to support prices to cattlemen who are operating well below break-even levels. First offers for the boneless beef roasts—Choice Grade or higher, Yield Grade 3 or better—are due Wednesday, May 14. Procurement documents and specifications will be mailed to the industry early next week.

"Approximately two-thirds of the total dairy herd liquidation is expected to take place in the first period of the termination program—April 1 through August 31," said Lyng, "and we intend to purchase an equivalent amount of red meat in that time period."

Information on purchases may be obtained from the Contracting Officer, Livestock and Seed Division, AMS, USDA, Washington, D.C. 20250; telephone: (202) 447-2650.

David Nutter (202) 447-8998

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR RAISINS

WASHINGTON, April 16—Agriculture Secretary Richard E. Lyng today announced plans to carry out a $6.3 million program to expand raisin exports in 1986 to Western Europe and Pacific Rim countries, including Taiwan and Korea.

Lyng said the program is intended to help counter or offset the adverse effects on U.S. exports from the European Community's subsidy and minimum import price system for Greek raisins.

In Western Europe, the export assistance will support a new program promoting the use of U.S. raisins by bakeries, confectioners and other industrial users. Lyng said the objective is to stimulate increased sales by promoting the reformulation of existing products and the introduction of new products containing U.S. raisins.

Export assistance also will be provided for new promotion initiatives in Taiwan and Korea to stimulate consumer awareness and increase usage by food manufacturers.

The promotional activities will be carried out cooperatively through an agreement between the U.S. Department of Agriculture's Foreign Agricultural Service and the California Raisin Advisory Board, a nonprofit commodity organization that has worked with USDA on export promotion programs since 1961.

In 1985, the United States shipped raisins worth $91 million to over 60 countries. Western Europe and Pacific Rim countries received over three-fourths of the shipments.

The export assistance program will be administered by USDA in accordance with the Food Security Act of 1985.

Sally Klusaritz (202) 447-3448

#

THREE COUNTRIES ELIGIBLE FOR EXPORT ENHANCEMENT PROGRAM FOR DAIRY CATTLE PURCHASES

WASHINGTON, April 16—Agriculture Secretary Richard E. Lyng today announced that Turkey, Morocco and Egypt are eligible to purchase a total of 15,000 head of U.S. dairy cattle under the Export Enhancement Program. As with previous announcements under this program, sales of U.S. dairy cattle will be made to buyers in these countries at competitive world prices.

Lyng said these programs will give U.S. exporters the opportunity to sell up to 5,000 head of dairy cattle to Turkey, 4,000 head to Morocco and 6,000 head to Egypt. The export sales will be subsidized with commodities from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in these markets in response to future tenders for dairy cattle.

These three offers bring the number of initiatives announced under the Export Enhancement Program to 29.

Details of the program and invitations for offers from exporters will be issued in the near future. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR WALNUTS

WASHINGTON, April 16—Secretary of Agriculture Richard E. Lyng today announced the U.S. Department of Agriculture will begin a $7 million export promotion program for U.S. walnuts in Western Europe and Japan.

The purpose of the promotion program is to help offset the adverse effects on U.S. walnut exports of the retaliatory import duty imposed by the European Community last November.

The promotional activities will be carried out cooperatively through an agreement between USDA's Foreign Agricultural Service and the Walnut Marketing Board, a nonprofit commodity organization which administers the marketing order for walnuts in California.

U.S. walnut exports have totaled $70 million this marketing season, which began July 1, 1985. Approximately two-thirds of these exports were to the 12 countries of the European Community, primarily West Germany, Spain, Italy and the Netherlands. Japan is a relatively small walnut market for the United States but is expected to expand because Japan recently dropped an import restriction on U.S. inshell walnuts, Lyng said.

The export assistance program will be administered by the Foreign Agricultural Service in accordance with Section 1124 of the Food Security Act of 1985.

Sally Klusaritz (202)-447-3448

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR CANNED FRUIT

WASHINGTON, April 17—Secretary of Agriculture Richard E. Lyng today announced a $2.5 million export market promotion program for canned peaches and fruit cocktail exported to Japan and Taiwan.

The aim of the program is to help the U.S. industry counter or offset imports of subsidized products into these two Pacific Rim countries from the European Community.

The promotional activities will be carried out cooperatively through an agreement between the U.S. Department of Agriculture's Foreign

Agricultural Service and the California Cling Peach Advisory Board, a nonprofit commodity organization which has worked with USDA on export promotion programs since 1964.

U.S. canned peach and fruit cocktail exports of $31 million in 1984-1985 were less than 40 percent of the level of five years earlier. A significant portion of this loss was the result of subsidized competition from countries of the European Community. The new promotional initiatives should enable the U.S. industry to regain some of these lost sales, Lyng said.

The export assistance program will be administered by FAS in accordance with Section 1124 of the Food Security Act of 1985.

Sally Klusaritz (202) 447-3448

#

SECOND SIGNUP FOR CONSERVATION RESERVE PROGRAM SET FOR MAY 5-16

WASHINGTON, April 17—Farmers who want to bid to enter their highly erodible cropland into USDA's conservation reserve program may do so during the program's second signup period, May 5-16. Secretary of Agriculture Richard E. Lyng said producers will be offered the option to bid for a conservation reserve program contract beginning with either the 1986 or 1987 crop year.

For contracts which are effective immediately, annual payments will be made beginning Oct. 1, 1986. Producers can not harvest any 1986 crop planted on land to be placed in the program. Any producer who has had or will have a crop mechanically removed from the designated area is ineligible for a 1986 contract.

For contracts which become effective on Oct. 1, 1986, or later, producers will be allowed to harvest their 1986 crop, and no annual payments will be made before Oct. 1, 1987.

USDA will establish maximum acceptable rental rates after the end of the signup and bid data have been evaluated.

Additional signup dates for the 1987 crop year will be announced later.

For the 1986 signup, designated cropland may be grazed until the Commodity Credit Corporation enters into a conservation reserve program contract with the producer and notifies him that livestock must be removed to comply with contract provisions.

Land that is designated for 1987 contracts may not be grazed after Oct. 1, 1986.

Agricultural stabilization and conservation state committees may reestablish pool boundaries for the second signup period.

The only acreage limitation that applies for the second signup is that a maximum of 25 percent of the cropland in a county may be entered into the program.

During the first signup period, which ran March 3-15, 838,356 acres of highly erodible cropland were entered into the conservation reserve program. Accepted bids ranged from $5 to $90 per acre, and the average bid was $41.82 per acre.

Robert Feist (202) 447-6789

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April 18, 1986 - April 25, 1986

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IN THIS ISSUE

News Releases—

Algeria Eligible for Barley Under the Export Enhancement Program

Lyng Terminates Marketing Order for Red Tart Cherries

Hog Cholera Outbreak Reported in Great Britain

USDA to Supply Defense Department With Red Meat Under Food Security Act of 1985

USDA Announces Prevailing World Market Rice Prices

USDA Changes Branding Instructions Under Dairy Buyout Program

USDA Clarifies That Tobacco is not Exempt from Gramm-Rudman-Hollings Act

USDA Announces Record Red Meat Purchases

USDA Issues Pseudorabies Vaccine Environmental Assessment—Sales to Resume

USDA Amends CCC Sales Policy for 1986-1990 Crop Peanut

La Verne Ausman to be Appointed Director of USDA Intergovernmental Affairs

USDA Reinstates Several Agricultural Estimating Activities

A21.24/2:

News Releases

U.S. Department of Agriculture • Office of Information

ALGERIA ELIGIBLE FOR BARLEY UNDER THE EXPORT ENHANCEMENT PROGRAM

WASHINGTON, April 17—Secretary of Agriculture Richard E. Lyng announced today an offer for barley to Algeria under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of U.S. barley will be made to buyers in Algeria at competitive world prices.

Lyng said this program will give U.S. exporters the opportunity to sell up to 500,000 tons of barley. The export sales will be subsidized with barley from the inventory of the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Algerian market in response to future tenders for barley.

Details of the program and an invitation for offers from exporters will be issued in the near future. This is the 30th initiative announced under the Export Enhancement Program. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Geraldine Schumacher (202) 447-3448

#

LYNG TERMINATES MARKETING ORDER FOR RED TART CHERRIES

WASHINGTON, April 17—Secretary of Agriculture Richard E. Lyng has approved the termination of the federal marketing order for red tart cherries after growers voted in favor of ending the order.

Lyng said that in a referendum conducted March 10-20, 51 percent of the growers voting favored termination of the marketing order.

"Given the outcome of the referendum, it's clear this marketing order no longer carries out the purposes of the Agricultural Marketing Agreement Act of 1937," said Lyng.

The marketing order for red tart cherries, first established in 1971, covers cherries grown in eight states, primarily Michigan, Wisconsin,

Pennsylvania and New York. A smaller number of growers reside in Ohio, Virginia, West Virginia and Maryland.

The order authorizes an annual volume regulation to limit the total quantity of cherries which handlers could freely move into commerical usage. The remainder of the crop is processed as frozen cherries and set aside in grower financed reserve pools during periods of overproduction. The order also requires USDA to conduct a referendum every five years on continuation of the order.

"USDA has set Aug. 31, 1986 as the final termination date for the order," said Lyng, "to avoid undue disruption and provide the industry with the opportunity to phase out the program through the current growing and harvesting season."

Under provisions of the Food Security Act of 1985, the Secretary of Agriculture has given Congress notice of his intention to terminate the marketing order.

David Nutter (202) 447-6179

#

HOG CHOLERA OUTBREAK REPORTED IN GREAT BRITAIN

WASHINGTON, April 18—A confirmed outbreak of hog cholera in Great Britain has restricted the importation of swine, pork and pork products from that country to the United States, a U.S. Department of Agriculture animal health official said today.

The current outbreak will not have a significant economic impact on commercial exports to this country because England does not have any USDA-approved processing plants for pork products, according to Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service.

"However, passengers returning to the United States from Great Britain will no longer be allowed to hand-carry pork or pork products unless they are in sterile, shelf-stable containers," he said.

Hawkins said the import restrictions are designed to prevent infected pork products from entering this country where they might be discarded and eventually fed to swine, resulting in an outbreak here.

Other restrictions apply to the importation of biological materials, such as enzymes and hormones, that are derived from swine and used in medicine and for research purposes.

USDA was notified on April 11 that hog cholera in British swine had been diagnosed and confirmed by laboratory tests. The source of the outbreak is currently unknown.

Hog cholera is a contagious and often fatal disease of swine. Neither humans nor other animals are affected. The United States eradicated hog cholera in 1978 after a 15-year eradication effort.

Countries recognized by USDA as being free of hog cholera are Australia, Canada, Denmark, Dominican Republic, Finland, Iceland, New Zealand, Northern Ireland, Republic of Ireland, Sweden and Trust Territories of the Pacific Islands.

Marti Asner (301) 436-7799

#

USDA TO DENY HOLIDAY, OVERTIME MEAT AND POULTRY INSPECTION REQUESTS IN FALL

WASHINGTON, April 18—The U.S. Department of Agriculture will deny meat and poultry plant requests for overtime inspection during the last weeks of fiscal 1986, in order to meet reduced spending levels required by the Gramm-Rudman-Hollings budget law.

"This is one of several actions to keep the inspection budget in line with the budget law, which requires us to reduce all spending by 4.3 percent — whether costs are borne by taxpayers or by industry," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

"In fiscal 1986, the agency must spend no more than $37.4 million on overtime and holiday inspection services — about $1.7 million less than was received and disbursed in the last fiscal year."

Under the federal meat and poultry inspection laws, appropriated funds support inspection during regular working hours. However, said Houston, when plant officials request overtime and holiday inspection services, USDA assigns inspectors if they are available, and is then reimbursed by the plant, importer, exporter or broker.

Houston said USDA expects the spending ceiling to be reached about Sept. 12, and will issue a Federal Register notice in August noting the date overtime and holiday services will be discontinued. Preliminary notice is expected to be published in the April 21 Federal Register.

Slaughtering and processing plants must operate under federal

inspection in order to sell their meat or poultry products in interstate commerce.

Sharin Sachs (202) 447-9113

#

USDA TO SUPPLY DEFENSE DEPARTMENT WITH RED MEAT UNDER FOOD SECURITY ACT OF 1985

WASHINGTON, April 18—Under Secretary of Agriculture Daniel G. Amstutz today announced that the U.S. Department of Agriculture will supply the U.S. Department of Defense with up to 20,000 metric tons (about 44 million pounds) of red meat between July 1, 1986 and Oct. 1, 1987. "We expect USDA purchase announcements for this to begin on or about April 23, 1986," Amstutz said.

The meat will come from the supplies of the Commodity Credit Corporation, which will purchase and export a total of 200 million pounds under the dairy herd buy-out program. The Food Security Act of 1985 directs the Secretary of Agriculture to make red meat available, on a non-reimbursable basis, to the Secretary of Defense for use in commissaries on military installations located in Europe.

Sally Klusaritz (202) 447-3448

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, April 18—Under Secretary of Agriculture Daniel G. Amstutz today announced the prevailing world market prices of rice, loan rate basis, as follows:

— long grain whole kernels, 6.78 cents per pound;
— medium grain whole kernels, 5.86 cents per pound;
— short grain whole kernels, 5.86 cents per pound;
— broken kernels, 3.39 cents per pound.

Based on the world prices announced today, the per hundreweight repayment rates for 1985-crop farm-stored loans are $4.11 for long grain rice, $3.62 for medium grain rice, and $3.63 for short grain rice.

The prices announced today are effective immediately and will remain

effective until the next regular price announcement scheduled on April 29 at 3:00 p.m. EST.

Commencing with the April 29 announcement, further regular announcements will be issued on Tuesday.

#

USDA CHANGES BRANDING INSTRUCTIONS UNDER DAIRY BUYOUT PROGRAM

WASHINGTON, April 18—Under Secretary of Agriculture Daniel G. Amstutz, President of the Commodity Credit Corporation, announced today that as a result of a preliminary injunction issued by the United States District Court for the Western District of New York, CCC is issuing amended branding instructions for the Dairy Termination Program.

The original CCC instructions called for hot branding of cattle which were to be slaughtered or exported under the dairy buyout program. The court preliminarily enjoined on April 16 the enforcement of the hot-iron facial branding provisions.

The amended branding instructions will allow producers to choose the alternatives of freeze branding. In accordance with the preliminary injuction, CCC cannot require the producer to use hot-iron branding. However, if the hot-iron method is chosen, it is strongly recommended that an electrical thermostatically-controlled branding iron be used. This will provide uniform heat and will result in a better brand with less chance of accidental injury to the dairy cattle. Since it is acknowledged that branding, regardless of whether it is freeze or hot, results in some pain to the animal, it is suggested that the area to be branded be desensitized in some manner. A veterinarian should be consulted for that purpose.

The purpose of the Dairy Termination Program, as mandated by Congress, is to reduce milk production in the United States by 12 billion pounds. Congress stipulated that this must be done by means of the slaughter or export of dairy cattle within prescribed time periods. In administering the program it is of critical importance that the dairy cattle which are scheduled to be disposed of by means of slaughter or export not be diverted from that disposal.

It is essential that an effective and foolproof method of identifying these

dairy cattle be adopted. A variety of methods were considered, such as ear tags, tattooing of the ear, electronic identification, piercing of the ear, notching the ear, and dyeing the animal with a unique mark. These methods can also cause discomfort to the animal.

It was determined that only by branding could the dairy cattle be identified in a permanent, visible, recognizable way. The location of the brand on the jaw was chosen since, in most states where brands are registered, the jaw is reserved for identification by the regulatory agencies. If other locations on the animal were used there could be conflict with registered brands. Also, a jaw brand is more visible than other areas.

The date for the completion of branding for cows presently in a producer's herd will be extended to May 6, 1986.

Bruce Merkle (202) 447-6787

#

USDA CLARIFIES THAT TOBACCO IS NOT EXEMPT FROM GRAMM-RUDMAN-HOLLINGS ACT

WASHINGTON, April 21—Payments made by the Commodity Credit Corporation under the 1986 tobacco price support program are subject to reduction under the Balanced Budget and Emergency Deficit Control Act, of the Gramm-Rudman-Hollings Act, Under Secretary of Agriculture Daniel Amstutz announced today.

The sequestration order issued Feb. 1, 1986 by President Reagan specified a 4.3 percent reduction in nondefense Federal programs not specifically exempted of reductions under the Gramm-Rudman-Hollings Act.

The Consolidated Omnibus Reconciliation Act of 1985, which reduc level of support for certain types of tobacco, does not exempt these tobaccos from the reductions required under the Gramm-Rudman-Hollings Act and the President's order, Under Secretary Amstutz said.

Amstutz said the 4.3 percent reduction from the cash disbursemen for tobacco pledged as collateral for CCC loans will be administered in such a manner as to minimize disruption of the orderly marketing of tobacco.

Robert Feist (202) 447-6789

#

USDA AMENDS CCC SALES POLICY FOR 1986-1990 CROPS OF PEANUTS

WASHINGTON, April 22—Under Secretary of Agriculture Daniel G. Amstutz today amended the sales policy for the 1986-1990 crops of additional peanuts owned or controlled by the U.S. Department of Agriculture's Commodity Credit Corporation when the peanuts are sold for export edible use.

Additional peanuts are those grown in addition to a farm's poundage quota or those grown on a farm without a poundage quota.

Amstutz said the 1986-crop of these peanuts will be sold by the CCC for export at no less than $400 a ton. The sales policy through the 1990-crop will be announced before each marketing year.

Before the amendment these peanuts for export edible use would have sold at no less than the lower of $400 a ton, or 102 percent of the average contract price for the top grade, known as segregation 1.

Segregation 1 is a stock category of edible peanuts.

Robert Feist (202) 447-6789

#

USDA ANNOUNCES RECORD RED MEAT PURCHASES

WASHINGTON, April 22—Secretary of Agriculture Richard E. Lyng today announced the Commodity Credit Corporation will purchase over 16 million pounds of ground beef and canned beef under provisions of the 400-million-pound red meat purchase program authorized by the Food Security Act of 1985.

Lyng said that of the total 16 million pounds of purchased beef, some 12 million pounds will be ground beef — the largest single purchase of this product on record.

The remaining 4 million pounds will be canned beef. This is the second time USDA has purchased canned beef, bringing to 9.8 million pounds the amount purchased under the program to date.

Prices for the ground beef ranged from $0.86 to $0.97 per pound. Prices for the canned beef ranged from $1.1999 to $1.2079 per pound. USDA will take delivery beginning the week of June 1.

Purchases of ground beef and canned beef will continue to be made weekly.

As authorized by the 1985 Farm Bill, half of the 400 million pounds to be purchased will be donated to domestic nonprofit charitable institutions for the needy, to nutrition programs for the elderly, to nonprofit summer camps for children and to other child-nutrition programs including the school lunch program. The remaining 200 million pounds will be exported.

Lyng also reminded the industry that first offers for frozen hams are scheduled to begin with bids due on Monday, May 5, and first offers for choice beef roasts are due Wednesday, May 14.

Information on purchases may be obtained from the Contracting Officer, Livestock and Seed Division, AMS, USDA, Washington, D.C. 20250; telephone (202) 447-2650.

David Nutter (202) 447-8998

#

USDA ISSUES PSEUDORABIES VACCINE ENVIRONMENTAL ASSESSMENT — SALES TO RESUME

WASHINGTON, April 22—The U.S. Department of Agriculture today released a document detailing the scientific review and safety of a genetically altered vaccine to protect pigs from pseudorabies. The manufacturer of the vaccine, who voluntarily suspended sales pending documentation of the review process, will resume sales tomorrow.

The document, "Environmental Assessment and Finding of No Significant Impact," explains the tests that were performed and reviewed to establish the purity, safety, potency and efficacy of the vaccine as required for licensing. The document, available to the public, discusses aspects of the new vaccine that make it safer for use than existing modified live virus pseudorabies vaccines, and why the vaccine poses no danger to the environment.

"The environmental assessment documents the safety of this product and the extensive review that preceded its release to producers trying to protect their swine from pseudorabies," said Dr. David Espeseth, a scientist with USDA's Animal and Plant Health Inspection Service and head of the agency's veterinary biologics staff that oversees the licensing of new animal vaccines.

Espeseth said that the vaccine had been tested by its inventor prior to licensing review and that USDA performed additional tests to assure purity, safety and potency.

The document shows that pigs vaccinated with the new vaccine will not be harmed, the vaccine will not spread pseudorabies to non-vaccinated pigs, the vaccine will not affect non-target species and will not spread into the environment.

Pseudorabies is a herpesvirus disease primarily affecting swine, but can be transmitted to almost all other warm blooded animals except man. In adult hogs, the disease can occur with few or no visible signs. Death rates in young pigs may approach 100 percent. The disease has been present in the United States since the early 1800's, but a more virulent form of the disease has been troubling swine producers, especially in the midwest, since the early 1960's.

In pigs under 3 weeks of age, the clinical signs are lack of appetite, incoordination, depression, vomiting, nervousness, diarrhea and convulsions, often followed by death of the entire litter.

In older hogs, the signs include lack of appetite, coughing, rubbing of the nose, sneezing, convulsions, abortion, and birth of still-born and mummified pigs. Such swine serve as a reservoir of the disease.

Other animals most often affected include cattle, sheep, dogs, cats, mink, mice, rats, raccoons, skunks and opossums. The most common signs in cattle and sheep are incessant scratching to the point of self-mutilation until death.

Copies of the document may be obtained by mail from Dr. David Espeseth, USDA, APHIS, Veterinary Biologics Staff, Room 829, Federal Building, Hyattsville, MD, 20782; or can be requested by telephoning (301) 436-8245.

Dr. David Espeseth (301) 436-8245

#

LA VERNE AUSMAN TO BE APPOINTED DIRECTOR OF USDA INTERGOVERNMENTAL AFFAIRS

WASHINGTON, April 23—Secretary of Agriculture Richard E. Lyng today announced his intention to appoint La Verne George Ausman director of the Office of Intergovernmental Affairs for the U.S.

Department of Agriculture.

"La Verne Ausman will bring to USDA more than a decade of public-service experience in legislative affairs and farm policy administration, as well as a lifetime of experience in farming," said Lyng.

Ausman has served as secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection since November 1981. He was elected to the Wisconsin state legislature in 1974, serving as a representative through 1978, when he was appointed to a six-year term as a commissioner on the Wisconsin State Board of Labor and Industry Review. In partnership with his son, John, Ausman owns and operates an 800-acre cash-grain and dairy farm in Elk Mound, Wisc.

As director of USDA's office of intergovernmental affairs, Ausman will be responsible for liaison between USDA and state and local governments and the National Association of State Directors of Agriculture.

Ausman replaces former USDA Intergovernmental Affairs Director Raymond E. Lett, who is returning to the private sector.

Arthur Whitmore (202) 447-4026

#

USDA REINSTATES SEVERAL AGRICULTURAL ESTIMATING ACTIVITIES

WASHINGTON, April 23—The U.S. Department of Agriculture's Statistical Reporting Service will resume publishing several pea, wheat, bee and honey reports, and will modify the data for potatoes slightly, according to William E. Kibler, agency administrator.

Funding provided for fiscal 1986 is sufficient for these programs, Kibler said.

Estimates for dry peas and lentils, discontinued after the 1981 crop, will be published again on an annual basis. Dry peas, lentils, and wrinkled seed peas will be estimated for Washington and Idaho, and Austrian winter peas will be estimated in Idaho and Oregon. End-of-season estimates for these crops will be made for planted and harvested acreage, yield and production, prices received per hundredweight, and value of production.

Acreage, yield, and production data for 1986 dry peas, lentils, and Austrian winter peas, will be published in the Oct. 10 Crop Production

report. Wrinkled seed pea data will be issued in the Crop Production, Annual Summary, to be released in early 1987. Prices received and value of production on all four crops will be carried in the Crop Values report, set for release early next year.

Summer potato estimates covering acreage planted and acreage for harvest in Indiana and Ohio will be combined with similar data for the fall crop and published in the July Crop Production report starting this year. The change is being made because summer potatoes in these states usually are stored and marketed in competition with the fall crop.

White wheat estimates in the Pacific Northwest, stopped in 1982, will be made again on an annual basis. End-of-season production estimates for the crop will be made in Idaho, Oregon, and Washington. Data for 1986 will be published in those states' annual summaries, to be released in early 1987. White wheat state data will not be carried in the national Crop Production, Annual Summary.

An annual bee and honey survey will be conducted in mid-December with state and national estimates issued the following January. Estimates will cover colonies of bees and honey production, and stocks and prices of honey and beeswax. Beekeepers with fewer than five colonies will not be surveyed.

Kent Miller (202) 786-1494

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IN THIS ISSUE

News Releases—

USDA Inaugurates New Electronic Food and Nutrition Information Service

Lyng Appoints Melillo USDA Press Secretary

USDA Announces Additional Provisions of 1986 Cotton Program

USDA Announces Formula for Determining World Price of Upland Cotton

USDA Renames, Reorganizes Statistical Reporting Service

USDA Announces Targeted Export Promotion Program for Almonds

CCC Changes Casein Conversion Program

USDA Releases Cost of Food at Home for March

USDA Announces Formula for Determination of World Price for Rice

USDA Announces 1986 Marketing Quotas for Flue-Cured Burley Tobaccos

USDA Proposes Rules for Imported Tobacco

Options Given Producers for Obtaining Replacement Warehouse Receipts

USDA Announces Targeted Export Promotion Program for Wine

USDA Sets Date for Statewide Elections of Pork Producers

USDA Announces Prevailing World Market Rice Prices

USDA Announces Red Meat Purchases

Lyng Establishes Office of Agriculture Biotechnology

Sugar Producers Protected Upon Processors' Insolvency

USDA Moves to Ease Dairy Termination Program Impact

A 21.24/2:

News Releases

U.S. Department of Agriculture • Office of Information

USDA INAUGURATES NEW ELECTRONIC FOOD AND NUTRITION INFORMATION SERVICE

WASHINGTON, April 24—A new electronic food and human nutrition information service was inaugurated by the U.S. Department of Agriculture during National Consumers Week, April 21-25, according to Ann Chadwick, USDA's Consumer Advisor. It is available as a pilot project through "USDA Online" on the Dialcom system.

Chadwick announced the new service during a presentation at a National Food Processors Seminar held here today.

"The new service," Chadwick said, "is being announced during a time of special emphasis on consumers. The material available on the electronic Food and Nutrition Information Service can benefit all consumers by providing accurate, timely and accessible information on a broad range of food and nutrition topics."

According to Chadwick the computer service provides rapid, one-source access to USDA food and nutrition information as well as information on USDA agencies and contacts involved in food and nutrition programs.

"Food and nutrition professionals in government, associations and industry, teachers, and media representatives can all use the new service to get up-to-date information on USDA's new and ongoing food and nutrition activities," Chadwick said.

The electronic service carries current news releases and will provide regular updates—in some instances, before the material is available in print. The latest information on nutrition and related food research results; basic information on nutrition and diet, including the entire publication on the dietary guidelines; post harvest food and marketing items; food economics and cost; food assistance programs; and food safety are included, Chadwick said.

In addition, bibliographies and publications lists, who to contact in which agency for specific information, addresses and contacts at USDA facilities involved in food and nutrition programs, and announcements of

upcoming activities, programs and materials are available from the service.

A number of agencies are cooperating with USDA's Office of Information in the project. Included are: the Agricultural Marketing Service, Agricultural Research Service, Economic Research Service, Extension Service, Food & Nutrition Service, Food Safety & Inspection Service, Human Nutrition Information Service, National Agricultural Library, and the Office of the Consumer Advisor.

For further information, contact Lillie Vincent, Special Programs Division, Office of Information, USDA, Washington, D.C. Tel. 202-447-8157. Dialcom mailbox AGR207.

#

LYNG APPOINTS MELILLO USDA PRESS SECRETARY

WASHINGTON, April 24—Secretary of Agriculture Richard Lyng today announced his appointment of Lynne Ann Melillo as press secretary for the U.S. Department of Agriculture.

"Lynne Melillo's extensive experience in journalism and media relations in the political arena will be a valuable asset to USDA's press function," Lyng said. "I am certain her expertise will be put to good use in our efforts to communicate accurate information about USDA programs and policies to the national and trade press and to the public."

Melillo will begin her new appointment April 28. Since May 1985, she has served as press secretary to Senator Mitch McConnell (R-KY). She has also served as press secretary to the Joint Economic Committee of the U.S. Congress, and to Congressman Bob McEwen (R-OH) and former Congressman Clarence Brown. In addition, she was press secretary for the Agriculture Platform Committee and for the Caucus Team at the 1984 Republican National Convention in Dallas, and was a television producer for the 1984 Reagan-Bush Re-election Committee.

Melillo's commercial press experience includes reporting on-camera for WLKY-TV in Louisville, Ky., and anchoring a news program for WMUB radio station in Oxford, Ohio.

Melillo is a native of Kentucky. She earned a B.S. in Communications from Miami University in Oxford, Ohio, in 1981.

Arthur Whitmore (202) 447-4026

#

USDA ANNOUNCES ADDITIONAL PROVISIONS OF 1986 COTTON PROGRAMS

WASHINGTON, April 24—Secretary of Agriculture Richard E. Lyng today announced additional details of the 1986 upland and extra long staple cotton programs.

Additional 1986 upland cotton program provisions announced today include:

— A prevailing world market price, adjusted to U.S. quality and location (adjusted world price) of 33.62 cents per pound for Strict Low Middling 1-1/16 inch (micronaire 3.5 through 4.9) cotton at average U.S. location (base quality).

— A price support loan rate of 55 cents per pound for the base quality.

— Implementation of Plan A in order to make U.S. upland cotton competitive in the world markets.

— Loan repayment rates equal to 80 percent of the loan rate for each quality of cotton.

— A recourse seed cotton loan program for both upland and ELS cotton.

The loan rate of 55 cents per pound for the base quality is the minimum permitted by law. The Schedule of Premiums and Discounts for other qualities will be issued soon.

Details of the world price formula were also announced today. The adjusted world price of 33.62 cents per pound was determined in accordance with the announced formula. The adjusted world price announced today is used only for the purpose of determining whether or not Plan A or Plan B is required to be implemented in order to make U.S. upland cotton competitive in world markets and, if so, the level of the loan repayment rate. If the adjusted world price is below the base loan rate, producers must be permitted to repay loans at a level less than the loan rate. Under Plan A, the loan repayment rate cannot be set at less than 80 percent of the loan rate. Once announced, the repayment rate will stay fixed for the entire crop year. Under Plan B, the loan repayment rate is set at the adjusted world price. The repayment rate will vary weekly as the adjusted world price varies. Since the adjusted world price is below the base loan rate, USDA is required to implement either Plan A or Plan B. Plan A is being implemented. The loan repayment rates will be equal to 80 percent of the loan rate for each quality of cotton.

Eligible producers who agree to forego loan eligibility will receive loan

deficiency payments at a payment rate equal to the difference between the loan rate and the loan repayment rate. Payment will be made on the quantity of cotton otherwise eligible for loan but not to exceed a quantity determined by multiplying the individual farm program acreage by the farm program payment yield. Fifty percent of this payment will be paid in cash and 50 percent will be paid in commodity certificates redeemable in cotton.

A recourse loan program for upland and ELS seed cotton will again be offered. It is designed to help producers reduce harvesting, marketing and processing costs. The seed cotton will be adjusted to a lint basis and the loan rate applicable to lint cotton will be used. Recourse means the borrower is obligated to pay back the full dollar amount of the loan.

Bruce Merkle (202) 447-6787

#

USDA ANNOUNCES FORMULA FOR DETERMINING WORLD PRICE OF UPLAND COTTON

WASHINGTON, April 24—Secretary of Agriculture Richard E. Lyng today announced the formula the U.S. Department of Agriculture will use to determine the prevailing world market price, adjusted to U.S. quality and location, for upland cotton.

These actions are required by the Agricultural Act of 1949, as amended by the Food Security Act of 1985. The adjusted world market price for upland cotton will be used under several provisions of the upland cotton program for the 1986 through 1990 crops.

The prevailing world market price for upland cotton will be determined as follows:

1. The prevailing world market price for upland cotton will be based upon the average of the quotations for the preceding Friday through Thursday for the five lowest-priced growths quoted for Middling (M) 1-3/32 inch cotton C.I.F. (cost, insurance, freight) northern Europe (Northern Europe price).

If price quotations are not available for one or more days in the five-day period, the available quotations during the period will be used. If no price quotations are available during the Friday through Thursday period, the prevailing world market price will be based upon the best available information.

2. The Northern Europe price will be adjusted to average U.S. spot market location by deducting the average difference during the preceding 156-week period, excluding price quotations for June, July, and August of each year, between:

a. the average of the price quotations each Thursday for U.S. Memphis territory and California/Arizona M 1-3/32 inch cotton C.I.F. northern Europe, and;

b. the average of the price quotations each Thursday in the designated spot markets for M 1-3/32 inch (micronaire 3.5 through 4.9) cotton.

3. The price derived in item 2 will be adjusted from M 1-3/32 inch to Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5 through 4.9) cotton by deducting the difference between the announced U.S. price support loan rates for M 1-3/32 inch (micronaire 3.5 through 4.9) and SLM 1-1/16 inch (micronaire 3.5 thorugh 4.9) cotton.

4. The price derived in item 3 will be adjusted to average U.S. location by deducting the difference between the average loan rate for SLM 1-1/16 inch (micronaire 3.5 through 4.9) cotton in the spot markets and the announced U.S. loan rate for SLM 1-1/16 inch (micronaire 3.5 through 4.9) cotton at average U.S. location.

The adjusted world price for upland cotton will be determined weekly and will be announced by the USDA as soon as possible after 4:00 p.m. Eastern time each Thursday beginning July 3, 1986, continuing through the last Thursday of July 1991. In the event that Thursday is not a workday, the determination will be announced the next workday.

The adjusted world price will be subject to further adjustments for any grade of upland cotton with a staple length of 1 inch or shorter or for any staple length of upland cotton with a grade which has a price support loan discount for grade and staple length of 8 cents per pound or higher. Grade and staple length must be determined by an official classification issued by USDA's Agricultural Marketing Service. This adjustment will be determined by deducting from the adjusted world price (1) the difference between the northern Europe price and the average of the quotations for the corresponding Friday through Thursday for the three lowest-priced growths of the growths quoted for "coarse count" cotton C.I.F. northern Europe (Northern Europe coarse count price), minus (2) the difference between the announced U.S. price support loan rates for M 1-3/32 inch (micronaire 3.5 through 4.9) and SLM 1 inch (micronaire 3.5 through 4.9) cotton. In determining the Northern Europe coarse count price, if price quotations are not available for one or more days in the

five-day period the available quotations during the period will be used. If price quotations for three growths are not available for any day in the five-day period, that day will not be taken into consideration. If price quotations for three growths are not available for at least three days in the five-day period, that week will not be taken into consideration, in which case the adjustment in effect for the latest available week will apply. The additional adjustment will not be made if the amount of the adjustment is less than 1 cent per pound.

The value of other qualities at each warehouse location will be based upon the adjusted world price, further adjusted by the premiums and discounts for grade and staple, discounts for micronaire, and location differentials applicable to each warehouse location as announced under the upland cotton price support loan program.

Robert Feist (202) 447-6789

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USDA RENAMES, REORGANIZES STATISTICAL REPORTING SERVICE

WASHINGTON, April 25—The U.S. Department of Agriculture today announced the Statistical Reporting Service has been renamed the National Agricultural Statistics Service. According to William E. Kibler, the agency's administrator, the new name will reflect more accurately NASS' purpose and broad agricultural focus.

Kibler also said the agency's Crop Reporting Board will now be called the Agricultural Statistics Board. The new name describes more accurately the scope of the board's work, he said.

"We will encourage our cooperative state statistical offices, which use varying names in their data collection and reporting work, to move toward a common identity closely tied to the agency's new title so that data users will quickly identify activities in the state with those at the national level," Kibler said.

The renaming of the Statistical Reporting Service and its Crop Reporting Board coincides with an internal restructuring of the agency. Kibler said the restructuring is designed to take advantage of the increasingly sophisticated survey and data processing techniques the agency has adopted over the past two decades. The restructuring will be fully implemented by Oct. 1.

"It became apparent a realignment was needed to administer effectively the increasingly complex technologies used in collecting, analyzing and disseminating agricultural statistics," Kibler said. "The agency has operated under the same basic structure since 1967."

The reorganization will arrange the agency's functions under two deputy administrators. A deputy administrator for programs will oversee all program-related activities dealing with content, specifications, standards, data analysis, information resources and preparation of final forecasts and estimates. "Organizing these functions under the program deputy will allow a concentrated focus on program content and data management, to ensure timely and accurate forecasts," Kibler said. "The program deputy will also chair the Agricultural Statistics Board."

A deputy administrator for operations will be responsible for the cooperative federal-state programs in the agency's 44 field offices, survey design and data collection activities, and statistical research and development functions. Kibler said the combination of field operations and research activities under the operations deputy will enhance the interaction between those two functions, allowing a more effective transfer of research results to ongoing data collection programs.

Diane Decker (202) 786-1494

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR ALMONDS

WASHINGTON, april 25—Secretary of Agriculture Richard E. Lyng today announced a special market promotion program for U.S. almonds in Western Europe, Japan and Korea.

The purpose of the program is to help offset the adverse effects on U.S. almonds exports from the restrictive import policies of Egypt and India, as well as the Erupoean Community's export refund program.

Lyng said the promotional activities will be carried out cooperatively between the U.S. Department of agriculture's Foreign Agricultural service and qualified industry participants. FAS will reimburse participating firms for up to 50 percent of their cash outlays on approved promotional activities in eligible countries during the 1986-87 marketing year. Reimbursement will be in the form of generic marketing certificates for commodities owned by the Commodity credit Corporation.

U.S. almond exports totaled $368 million in 1984-85. The targeted countries of Western Europe, Japan and Korea purchases about two-thirds of this amount.

The export assistance program will be administered by FAS in accordance with Section 1124 of the Food Security Act of 1985.

Lynn K. Goldsbrough (202) 382-9442

#

CCC CHANGES CASEIN CONVERSION PROGRAM

WASHINGTON, April 25—Merrill D. Marxman, Acting Administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service, announced today that the Commodity Credit Corporation is issuing a second invitation requesting offers under its casein conversion program.

He also announced that the program is being amended to allow the conversion of CCC-owned nonfat dry milk into either dry casein or dry caseinate.

Marxman explained that casein, the protein component of milk, is usually further processed into caseinates to improve usability as an ingredient in coffee whiteners, whipping powders, instant breakfasts and other food products. He said the addition to the casein conversion program will allow casein conversion plants the option of making dry caseinates from wet casein curd, as well as making dry casein.

The Food Security Act of 1985 mandates that the CCC offer on a competitive bid basis at least 1 million pounds of its inventory of nonfat dry milk annually for conversion into casein. The CCC received only one offer on its first invitation. This offer was rejected in light of the program amendment and the second request for offers. The new invitation will allow bidders until May 19 to submit bids. Bidders are asked to bid on selected nonfat dry milk lots located throughout the country.

Further information concerning the program and the invitation for offers may be obtained from Debbie S. Crow or George M. James, Kansas City Commodity Office, P.O. Box 205, Kansas City, Missouri 64141, telephone (913) 236-3057.

Bruce Merkle (202) 447-6787

USDA RELEASES COST OF FOOD AT HOME FOR MARCH

WASHINGTON, April 25—Here is the U.S. Department of Agriculture's monthly update of the weekly cost of food at home for March 1986.

Cost of food at home for a week in March 1986

	Food plans			
	Thrifty	Low-cost	Moderate cost	Liberal
Families:				
Family of 2 (20-50 years)	37.30	47.20	58.40	72.20
Family of 2 (51 years and over)	35.30	45.20	55.90	66.80
Family of 4 with preschool children	54.30	67.90	83.00	101.50
Family of 4 with elementary schoolchildren	62.30	79.70	99.80	119.90
Individuals in four-person families:				
Children:				
1-2 years	9.80	11.90	13.80	16.60
3-5 years	10.60	13.10	16.10	19.30
6-8 years	13.00	17.20	21.60	25.20
9-11 years	15.40	19.60	25.10	29.10
Females:				
12-19 years	16.00	19.30	23.30	28.20
20-50 years	16.00	20.10	24.40	31.10
51 and over	15.90	19.40	24.10	28.70
Males:				
12-14 years	16.10	22.20	27.70	32.50
15-19 years	16.70	23.00	28.50	33.10
20-50 years	17.90	22.80	28.70	34.50
51 and over	16.20	21.70	26.70	32.00

USDA's Human Nutrition Information Service computes the cost of

food at home for four food plans—thrifty, low-cost, moderate-cost, and liberal.

Suzanne Harris, deputy assistant secretary for food and consumer services, said the plans consist of foods that provide well-balanced meals and snacks for a week.

In computing the costs, USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods, and other nonfood items bought at the store.

"USDA costs are only guides to spending," Harris said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes, and how much food is prepared at home.

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families who have tighter budgets. Families with unlimited resources might use the liberal plan."

To use the chart to estimate your family's food costs:

— For members eating all meals at home—or carried from home—use the amounts shown in the chart.

— For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out 5 days a week, subtract 25 percent, or one-fourth the cost shown.

— For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in four-person families. If your family has more or less than four, total the "individual" figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

— For a one-person family, add 20 percent.

— For a two-person family, add 10 percent.

— For a three-person family, add 5 percent.

— For a five- or six-person family, subtract 5 percent.

— For a family of seven or more, subtract 10 percent.

Details of the four family food plans are available from the Nutrition Education Division, Human Nutrition Information Service, USDA, Federal Building, Hyattsville, Md. 20782.

This information and related information is also available electronically through USDA's Online service on the Dialcom system under the "FOOD" listing.

Johna Pierce (301) 436-8617

#

USDA ANNOUNCES FORMULA FOR DETERMINATION OF WORLD PRICE FOR RICE

WASHINGTON, April 25—Under Secretary of Agriculture Daniel G. Amstutz today announced the formula for determining the prevailing world market price for rice.

The steps of the formula are:

1. USDA will review prices at which rice is being bought and offered for sale in world markets and weight prices. The resulting prices shall be adjusted to U.S. equivalent values per hundredweight for U.S. grade No. 2, four percent broken kernels, separately for long, medium and short grain milled rice. This adjustment, where applicable, will include consideration of credit concessions, barter sale, government-to-government sales, or special pre- or post-milling processes.

2. The prevailing world market price for a class of rice, adjusted to U.S. quality and location, shall be adjusted by deducting from the calculated price the estimated national average costs associated with (a) the use of bags; (b) the transfer of rice from mill location to FOB vessels with such costs including, but not limited to, freight, unloading, wharfage, insurance, inspection, fumigation, stevedoring, interest, banking charges, storage and (c) administrative costs related to the export of rice.

3. The FOB mill price shall be adjusted to reflect the market value of the total quantity of whole kernels contained in milled rice by deducting the value of broken kernels. The value of broken kernels shall be based upon the estimated domestic market value all sizes of broken kernels.

4. The total whole kernel market value shall be adjusted to reflect the per pound market value of whole kernels by dividing the price by the quantity of whole milled kernels contained in the milled rice.

5. The price shall be adjusted to reflect the market value of whole kernels contained in 100 pounds of rough rice by multiplying the price by the estimated national average quantity of whole kernel rice by class

obtained from milling 100 pounds of rough rice.

6. The market value of whole kernels will be adjusted to reflect the prevailing world market value of rough rice by adding to it the domestic market values of bran and broken kernels contained in the rice and deducting an estimated cost of milling rough rice and transporting the rice from farm to mill locations.

7. The prevailing world market price, rough rice basis, will be adjusted to a whole kernel loan rate basis by deducting the estimated domestic market value of broken kernels contained in the rice and dividing the resulting value by the estimated national average quantity of milled whole kernels produced in milling 100 pounds of rough rice.

The prevailing world market price adjusted to U.S. quality and location, loan rate basis, shall to the extent practicable, be announced each Tuesday but may be announced more or less frequently, as determined by the secretary of agriculture. The announced prices will be effective upon announcement and will remain effective until the next world price is announced.

Details of the formula will be published in the Federal Register.

Bruce Merkle (202) 447-6787

#

USDA ANNOUNCES 1986 MARKETING QUOTAS FOR FLUE-CURED AND BURLEY TOBACCOS

WASHINGTON, April 25—The U.S. Department of Agriculture today issued the 1986 national marketing quotas for flue-cured and burley tobaccos of 727 million pounds and 493 million pounds, respectively. Both are 6 percent below the 1985 quotas. According to Secretary of Agriculture Richard E. Lyng, the quotas are the maximum permitted under law.

Lyng said that 1985-crop flue-cured markets are estimated to have exceeded undermarketings by 35 million pounds, making the 1986 effective quota about 692 million pounds, or 66 million pounds below the 1985 effective quota. Burley marketings are estimated to have exceeded undermarketings by 30 million pounds, making the 1986 effective quota about 463 million pounds, or 79 million pounds below the 1985 effective quota.

Under the tobacco program, farmers who produce more than their

quota of tobacco in one year must "undermarket" the amount of the overage the following year.

According to Lyng, under the new amendments to the Agricultural Act of 1938, enacted April 7, flue-cured and burley quotas for 1986 that were previously announced are invalid. Quotas now have to be based on three factors: intended purchases by cigarette manufacturers; average annual exports for the 3 preceding years; and the amount of tobacco needed to attain reserve stock levels.

However, for both kinds of tobacco, the total of the three components—adding up to 692 million pounds for flue-cured and 420 million pounds for burley—plus the 3 percent discretionary adjustment reserved for the Secretary, came to less than the quotas permitted by law, or, 94 percent of he 1985 quotas.

The 1986 national average allotment for flue-cured is 365,510 acres, down from the 1985 allotment of 389,643 acres.

Notices showing the 1986 quotas and allotments for individual farms will mailed soon to producers by county ASCS Committees. Flue-cured tobacco is grown in Alabama, Florida, Georgia, North Carolina South Carolina and Virginia. Burley tobacco is grown in Indiana, Kentucky, North Carolina, Ohio, Tennessee, Virginia and West Virginia.

Bruce Merkle (202) 447-6787

#

USDA PROPOSES RULES FOR IMPORTED TOBACCO

WASHINGTON, April 25—The U.S. Department of Agriculture has proposed rules for testing imported flue-cured and burley tobacco for prohibited pesticides and for identifying the importing manufacturers or other end users of this tobacco.

Lioniel Edwards, an official with USDA's Agricultural Marketing Service, said the new rules are mandated by the Food Security Act of 1985, and that they require the establishment of user fees to cover the costs of testing and certifying that the tobacco is free or prohibited pesticides.

Comments on the proposed rules may be sent by May 27 to the Director, Tobacco Division, Room 502 Annex Building, USDA, AMS, Washington, D.C 20250.

Notice of the proposed rules was published today in the Federal Register. Copies also may be obtained from the Tobacco Division, Room 502 Annex Building, USDA, AMS, Washington, D.C. 20250; or telephone: (202) 447-2567.

David Nutter (202) 447-6179

#

OPTIONS GIVEN PRODUCERS FOR OBTAINING REPLACEMENT WAREHOUSE RECEIPTS

WASHINGTON, April 28—Under Secretary of Agriculture Daniel G. Amstutz today announced that producers using warehouse-stored commodity loans to satisfy commodity certificate earnings will be given the option of either obtaining replacement warehouse receipts or receiving commodity certificates under the Commodity Credit Corporation's commodity certificate program.

Amstutz said the option will be offered when the commodity certificate value will satisfy less than the quantity shown on the warehouse receipt. Amstutz determined that the option must be given to producers so that they can dispose of grain received in satisfaction of commodity certificates earned. If this option was not made available, producers earning certificates might have experienced some delay before replacement warehouse receipts would be issued, he said.

Producers with both farm-stored and warehouse-stored loans will be given the option of either obtaining replacement warehouse receipts or using farm-stored loans to satisfy commodity certificate earnings.

Further details may be obtained by contacting county offices of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

Robert Feist (202) 447-6787

#

USDA ANNOUNCES TARGETED EXPORT PROMOTION PROGRAM FOR WINE

WASHINGTON, April 28—Secretary of Agriculture Richard E. Lyng today announced that the U.S. Department of Agriculture plans to carry

out an intensive market promotion program for U.S. wine in Japan, the United Kingdom, Hong Kong and Singapore.

The purpose of the $2.3-million program is mainly to offset Japan's tariff and exise tax system, which restricts imports of U.S. high-quality bottled wine. The program also will counter European Community export subsidies and a wide array of restrictive import practices in potential markets.

The promotional activities will be carried out cooperatively through an agreement between USDA's Foreign Agricultural Service and the Wine Institute, which has worked with USDA on export promotion programs over the past two years. USDA will reimburse the Wine Institute with generic marketing certificates for commodities owned by the Commodity Credit Corporation.

Total U.S. wine exports in 1985 were $28 million, 9 percent above the 1984 figure. Japan and the United Kingdom are the two leading off-shore export markets. Hong Kong and Singapore are both smaller markets with significant growth potential.

The export assistance program will be administered by the Foreign Agricultural Service in accordance with Section 1124 of the Food Security Act of 1985.

Lynn K. Goldsbrough (202) 382-9442

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, April 29—Under Secretary of Agriculture Daniel G. Amstutz today announced the prevailing world market prices of rice, loan rate basis, as follows:

— long grain whole kernels, 6.68 cents per pound;
— medium grain whole kernels, 5.73 cents per pound;
— short grain whole kernels, 5.74 cents per pound; and
— broken kernels, 3.34 cents per pound.

Based on the world prices announced today, the per hundredweight repayment rates for 1985-crop farm-stored loans are $4.06 for long grain rice, $3.55 for medium grain rice and $3.55 for short grain rice.

The prices announced today are effective at 3:30 p.m. EST today. The

next scheduled price announcement will be made May 6 at 3:00 p.m. EST, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

#

USDA ANNOUNCES RED MEAT PURCHASES

WASHINGTON, April 29—Secretary of Agriculture Richard E. Lyng today announced the Commodity Credit Corporation purchased over 17.5 million pounds of ground beef and canned beef this week under provisions of the 400-million-pound red meat purchase program authorized by the Food Security Act of 1985.

Lyng said that of the total 17.5 million pounds purchased, some 12 million pounds was ground beef purchased at prices ranging from $0.9350 to $0.97 per pound.

The balance of over 5 million pounds was canned beef purchased at prices ranging from $1.2140 to $1.2278 per pound. USDA will take delivery the week beginning June 8.

Total cost for this week's purchase is approximately $18,265,000. Purchases of ground beef and canned beef will continue to be made weekly.

Lyng added that since the announcement of the red-meat buyout program, USDA has purchased 39,339,000 pounds at an approximate cost of $41,261,000.

As authorized by the 1985 Farm Bill, half of the 400 million pounds to be purchased will be donated to domestic nonprofit charitable institutions for the needy, to nutrition programs for the elderly, to nonprofit summer camps for children and to other child-nutrition program including the school lunch program. The remaining 200 million pounds will be exported.

Lyng again reminded the industry that first offers for frozen hams are scheduled to begin with bids due on Monday, May 5, and first offers for choice beef roasts are due Wednesday, May 14.

Information on purchases may be obtained from the Contracting Officer, Livestock and Seed Division, AMS, USDA, Washington, D.C. 20250; telephone (202) 447-2650.

David Nutter (202) 447-6179

LYNG ESTABLISHES OFFICE OF AGRICULTURE BIOTECHNOLOGY

WASHINGTON, April 29—Secretary of Agriculture Richard E. Lyng today announced the establishment of an Office of Agriculture Biotechnology to have responsibility in developing and implementing policies and procedures pertaining to biotechnology.

The new office will perform a staff role for USDA's Agricultural Recombinant DNA Advisory Committee and for the national biological impact assessment program, which is a biotechnology clearinghouse composed of federal and state scientists.

The assistant secretary for science and education has been assigned responsibility for the Office of Agriculture Biotechnology, Lyng said. The assistant secretary for marketing and inspection services will continue to exercise the Department's existing regulatory responsibilities for biotechnology products, he said.

Michael Hoback (202) 447-5035

#

SUGAR PRODUCERS PROTECTED UPON PROCESSORS' INSOLVENCY

WASHINGTON, April 29—Sugar producers who fail to receive their full benefits due under the sugar price support program because of the insolvency of a sugar processor may request the remainder of these payments from the U.S. Department of Agriculture's Commodity Credit Corporation.

Secretary of Agriculture Richard E. Lyng today said he is implementing a provision of The Food Security Act of 1985 which requires him to take action to protect the sugar grower from possible financial loss.

Under the sugar price support program, a processor obtaining sugar loans agrees to pay growers delivering sugarcane or sugar beets to them a minimum support payment. If the grower did not receive the full support payment due him, the grower may make a claim for a payment from CCC through the grower's local office of the USDA's Agricultural Stabilization and Conservation Service.

CCC will pay producers, on demand, maximum benefits less benefits previously received from the processor.

Claims for 1984-crop sugar beets must be made by May 29, 1986.

Robert Feist (202) 447-6789

#

USDA MOVES TO EASE DAIRY TERMINATION PROGRAM IMPACT

WASHINGTON, April 29—Secretary of Agriculture Richard E. Lyng today announced additional steps the U.S. Department of Agriculture is taking to avoid domestic red meat market displacements due to the slaughter of dairy cattle under the Dairy Termination Program.

The Food Security Act of 1985 requires USDA to make additional red meat purchases over and above its usual amounts in order to minimize the effect of the milk production termination program. USDA will make these purchases in a manner that ensures the purchases in each of the program's periods will be proportionate to the estimated slaughter of cattle under the program for that period. The three periods are April 1 - Aug. 31, 1986; Sept. 1, 1986 - Feb. 28, 1987; March 1 - Aug. 31, 1987.

"The Commodity Credit Corporation will contact program participants to determine the month or months in which they intend to slaughter their cows, heifers and calves," Lyng said. "We will also ask producers for a report of their intentions to export cattle and will follow up monthly on reports of animals slaughtered.

"We have already announced commitments from the U.S. Department of Defense to distribute overseas, for sale through DOD commissaries and related outlets, red meat purchased by CCC and made available to DOD," he said. "In addition, we are making efforts to expedite and increase the export of cattle under the program."

Lyng put program participants on notice that there would be no change in the final slaughter and export dates provided for in Dairy Termination Program contracts. "CCC will notify producers that these dates are firm and will not be extended because of slaughter capacity problems or related problems," Lyng said. "They will also be reminded that failure to meet these deadlines can result in a loss of all program benefits and

position of penalties. Dairy producers taking part in the program are ongly urged to plan well in advance for disposal of their cattle."
Lyng said the Department of Agriculture will continue to undertake all sonable measures to ease the impact on the domestic red meat market t might be caused by the program.

Bruce Merkle (202) 447-6787

#

35 EXPORT GRAIN MET OR EXCEEDED SHIPPERS' GRADE EQUIREMENTS

WASHINGTON, May 1—A U.S. Department of Agriculture study eased today concludes that 1985 export shipments of U.S. wheat, corn l soybeans on average met or exceeded requirements for the grade of in specified by shippers.

The study analyzed inspection documents for 878 million bushels of eat, 1,581 million bushels of corn and 530 million bushels of soybeans ported during 1985. The report provides averages and ranges by grade quality categories such as test weight, moisture content, foreign terial, broken corn or split soybeans, damaged kernels and other tors.

For more information and copies of the report, contact Allen A. wood, USDA, Federal Grain Inspection Service, Information Staff, om 1095-S, Washington, D.C. 20250; telephone (202) 475-3367.

Allen Atwood (202) 475-3367

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IN THIS ISSUE

News Releases—

CCC Loan Interest Rate Lowered to 6-1/2 Percent

USDA Seeking Offers From EC for Purchase of U.S. High-Quality Beef

Study Supports Surplus Commodities for School Lunch Program

Interest Rates on FmHA Programs Lowered Again

USDA To Assist Financially Distressed Fuel Ethanol Plants

USDA Sets Vote on Honey Research, Promotion and Consumer Information Order

Saudi Arabia Eligible for Barley Under Export Enhancement Program

USDA Announces Prevailing World Market Rice Prices

USDA Proposes to Strengthen Requirements for Accrediting Veterinarians

Iowa Declared Free of Bovine Tuberculosis

USDA Lists New Areas Quarantined for Gypsy Moth

USDA to Issue Data Covering On-Farm Grain Storage Capacity

USDA Announces Red Meat Purchases

USDA Annouces Requirements for Ethanol Plants to Apply for CCC Commodity Certificates

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News Releases

U.S. Department of Agriculture • Office of Information

CCC LOAN INTEREST RATE LOWERED TO 6-1/2 PERCENT

WASHINGTON, May 1—Commodity loans disbursed in May by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 6-1/2 percent interest rate, according to Acting CCC Executive Vice President Milton Hertz.

The new rate, down from 7-¼ percent, reflects the interest rate charged CCC by the U.S. Treasury in May.

The CCC interest rate has not been below 7 percent since 1977, Hertz said.

Robert Feist (202) 447-6789

#

USDA SEEKING OFFERS FROM EC FOR PURCHASE OF U.S. HIGH-QUALITY BEEF

WASHINGTON, May 1—Secretary of Agriculture Richard E. Lyng today announced that the U.S. Department of Agriculture's Commodity Credit Corporation is seeking tender offers from the European Community to purchase U.S. high-quality beef. Sales will be made by CCC directly to importers in the EC. The CCC will purchase the high-quality beef in the U.S. market for export against the sales.

All sales under this tender system will count toward fulfilling the current annual EC quota of 10,000 metric tons of U.S. high-quality beef negotiated during the 1979 Multilateral Trade Negotiations. This tendering program is part of the red meat purchase requirement mandated by the Food Security Act of 1985 to minimize the adverse effects of the dairy termination program on U.S. beef, pork and lamb producers.

Additional details of the program and the invitation to EC importers to participate are available from the Export Credits Division of the Foreign Agricultural Service, Room 4503-South Building, U.S. Department of Agriculture, Washington, D.C. 20250; telephone (202) 382-9240.

Copies also can be obtained from the offices of U.S. agricultural

representatives located in embassies and trade offices in the twelve EC countries.

Lynn K. Goldsbrough (202) 382-9442

#

STUDY SUPPORTS SURPLUS COMMODITIES FOR SCHOOL LUNCH PROGRAM

WASHINGTON, May 2—A U.S. Department of Agriculture study released today supports the current system of providing government commodities through the National School Lunch Program to over 23 million children who participate each year.

"The commodity program now in place works better than the alternatives Congress asked us to test. No change in this basic system is warranted," said John W. Bode, assistant secretary for food and consumer services.

Schools presently receive about 15 percent, or $460 million, of their guaranteed federal subsidies in the form of commodities. The remainder is provided in cash.

Two alternatives to the commodity assistance were tested in the nationally representative study: giving school systems cash instead of commodities, and issuing letters of credit, which are vouchers that may be redeemed only for certain types of foods, such as peaches, beef or green beans.

According to Bode, the study found that, compared to the alternatives, the present commodity program:

- provides significantly more food to the School Lunch Program,
- provides foods that are not as highly processed and, therefore, tend to have less salt, and
- provides greater assistance to farmers.

However, Bode said, schools that tested the alternative systems found them appealing because of increased flexibility in food purchasing. "Schools enjoyed complete control over packaging, delivery times and choice of vendor under the alternative sytems. That caused some reduced storage and handling costs," he said.

Bode said, "While the commodity distribution program means more work at the school level, it is worth it. On balance, the commodity distribution program provides the National School Lunch Program with as

much as $100 million in greater food value than the alternative systems.

"This is not a surprise," he said. "By using the large volume purchasing power of USDA, most policy officials have felt that depressed agricultural markets could be stabilized to the benefit of farmers. At the same time, bargain purchases could be made for the lunch program. Now, a major research effort has proved that this common sense approach is working.

"This system is also relied upon to provide surplus commodities for other distribution activities. Presently, cheese, butter, nonfat dry milk, rice and honey, held by USDA's Commodity Credit Corporation, are distributed free of charge to schools, needy households, charitable institutions such as public hospitals and orphanages, food banks, and soup kitchens. This system is part of our emergency feeding activities to quickly provide food to victims of natural disasters," Bode said.

"While the commodity system we have is the soundest approach, we must work to continue improvements that have been made over the last several years," he said. "We are committed to working with schools, food companies and agricultural producers to make this good system better."

The study, which began in 1981, tested the different commodity systems in 96 school districts in 29 states. Thirty-three school districts used cash, 31 used vouchers and 32 used the ongoing program of federally donated foods.

Federally donated foods are provided to schools for lunches that meet USDA requirements.

John Webster (202) 756-3276

#

INTEREST RATES ON FmHA PROGRAMS LOWERED AGAIN

WASHINGTON, May 2—For the second consecutive month, interest rates have been lowered for farmer progams of the U.S. Department of Agriculture's Farmers Home Administration, according to Vance L. Clark, agency administrator. The new rates were effective May 1.

The rate for farm operating loans drops from 9.50 percent to 8.625 percent and the rate for farm ownership, soil and water and Indian land acquisiton loans goes down from 10.25 percent to 9.25 percent.

These are the lowest interest rates for these programs since 1979.

The rate for limited resource operating loans drops from 6.50 to 5.625 percent. The rate for limited resource farm ownership loans remains at 5 percent, the lowest rate permitted under the program. Clark noted that the new rates reflect a continuing decrease in the cost of money to the government—a result of lower inflation. All of these trends will be especially helpful to FmHA's farm borrowers, Clark said.

Nolan Kegley (202) 447-4523

#

USDA TO ASSIST FINANCIALLY DISTRESSED FUEL ETHANOL PLANTS

WASHINGTON, May 2—The U.S. Department of Agriculture will assist financially distressed fuel ethanol plants that would otherwise close and jeopardize the commercial grain market, Secretary of Agriculture Richard E. Lyng said today.

The temporary assistance program will begin May 10 and end Sept. 30.

The assistance will be in the form of Commodity Credit Corporation commodity certificates, which, said Lyng, "will lower feedstock costs and permit the industry to survive until new crop grain becomes available."

Lyng said the alcohol fuel industry petitioned USDA to take this action, which is authorized under the Food Security Act of 1985. The act permits CCC commodities to be made available free, or at reduced cost, to encourage their purchase for fuel production in a manner that will not displace normal commercial purchases.

"In 1986 energy prices dropped by more than half, yet grain feedstock prices held relatively stable because of government commodity programs," said Lyng. "The alcohol fuels industry has no prospects for relief until grain prices fall as commodity programs change with the new crops in September."

Eligible ethanol producers will earn CCC commodity certificates by furnishing proof to the corporation that grain was removed from the market and processed into ethanol by Sept. 30. For every 2-1/2 bushels of grain removed from the market, producers will earn the market value of 1 bushel of CCC-owned grain.

To be eligible for the program, ethanol producers must have produced ethanol commercially during the months of March or April. The CCC

will publish detailed program procedures by May 7.

Fuel ethanol is a domestic liquid fuel source from renewable resources. The industry was established in response to the oil crises of the 1970s.

According to Lyng, the industry provided a market for about 250 million bushels of grain in 1985.

Paula Zeller (202) 447-4026

#

USDA SETS VOTE ON HONEY RESEARCH, PROMOTION AND CONSUMER INFORMATION ORDER

WASHINGTON, May 6—The U.S. Department of Agriculture has set May 19-31 for producers and importers of honey and honey products to vote on a proposed research, promotion and consumer information order.

Joseph A. Gribbin, an official with USDA's Agricultural Marketing Service in Washington, D.C., said the proposed order is authorized by the Honey Research, Promotion and Consumer Information Act of 1984.

"USDA's Agricultural Stabilization and Conservation Service has agreed to make ballots for the referendum available to producers and importers at county ASCS offices," said Gribbin. "Ballots may be picked up at county offices during regular business hours."

Ballots also are being mailed to all known eligible honey importers, Gribbin said. Anyone who produced or imported 6,000 pounds or more of honey in 1984 and currently produces or imports honey may vote in the referendum.

To become effective, the order must be approved by at least two-thirds of the producers and importers voting, or by a majority of voting producers and importers if that majority accounts for at least two-thirds of the volume of honey produced or imported by all of those voting.

If approved, the order would be financed by assessments on domestic and imported honey and honey product sales. All producers and importers whose annual production amounted to 6,000 pounds or more would pay into the program. The assessment would be one cent per pound for the first year and could not be increased more than one-half cent per year thereafter. A producer or importer who did not wish to support the program could obtain a refund upon written request.

The Honey Board, a 13-member group of honey producers, packers, importers and a public representative appointed by the secretary of

agriculture, would administer the program. A majority of the board members would be domestic honey producers. Their responsibility would include recommendation of research, promotion and consumer education projects for approval by the secretary.

Notice of the referendum and proposed order was published today in the Federal Register. Copies or the order and additional information may also be obtained from Ronald L. Cioffi, Fruit and Vegetable Division, AMS, USDA, Room 2523-S, Washington, D.C. 20250; telephone (202) 447-5697.

David Nutter (202) 447-6179

#

SAUDI ARABIA ELIGIBLE FOR BARLEY UNDER EXPORT ENHANCEMENT PROGRAM

WASHINGTON, May 7—Secretary of Agriculture Richard E. Lyng today announced an opportunity for barley sales to Saudi Arabia under the U.S. Department of Agriculture's Export Enhancement Program. As with previous announcements under this program, sales of U.S. barley will be made to buyers in Saudi Arabia at competitive world prices.

Lyng said this program will give U.S. exporters the opportunity to sell up to 500,000 tons of barley. The export sales will be subsidized by the Commodity Credit Corporation. The subsidy will enable U.S. exporters to compete at commercial prices in the Saudi Arabian market.

This is the 31st initiative announced under the Export Enhancement Program.

Details of the program, including the manner in which the export sales will be subsidized, and an invitation for offers from exporters will be issued in the near future. For further information call William Randolph, (202) 382-9254, or Larry McElvain, (202) 447-6225.

Sally Klusaritz (202) 447-3448

#

USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, May 6—Under Secretary of Agriculture Daniel G.

Amstutz today announced the prevailing world market prices of rice, loan rate basis, as follows:

— long grain whole kernels, 6.68 cents per pound;
— medium grain whole kernels, 5.73 cents per pound;
— short grain whole kernels, 5.74 cents per pound;
— broken kernels, 3.34 cents per pound.

Based on the world prices announced today, the per hundredweight repayment rates for 1985-crop farm-stored loans are $4.06 for long grain rice, $3.55 for medium grain rice, and $3.55 for short grain rice.

The prices announced today are effective immediately. The next scheduled price announcement will be made May 13 at 3:00 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

#

USDA PROPOSES TO STRENGTHEN REQUIREMENTS FOR ACCREDITING VETERINARIANS

WASHINGTON, May 7—The U.S. Department of Agriculture is proposing to strengthen its requirements for accrediting private veterinarians who perform services for the federal government.

"We want to be sure that the veterinarians outside of government who assist in federal and cooperative state-federal animal health programs are fully qualified, and that they keep up with the knowledge and skills needed to perform their functions," said Bert W. Hawkins, Administrator of USDA's Animal and Plant Health Inspection Service.

Under current regulations, graduates of a college of veterinary medicine who receive a temporary license to practice in a state can become federally accredited in that state by passing an examination and by receiving the recommendation of state and federal authorities. Once accredited, they retain this status indefinitely unless it is suspended or revoked.

The proposal would require that to become accredited, applicants must hold a non-temporary license to practice without supervision in the state where they seek accreditation. The proposal would also require the applicant to pass an examination administered by the USDA within 5 years of seeking accreditation in any state.

Any veterinarian who is in private practice or who does not work for

federal or state governments may apply for federal accreditation. The work of federally accredited veterinarians includes certifying the health of animals to be moved interstate or internationally, assisting in disease control and eradication programs, and examining animals to fulfill requirements of the Animal Welfare Act and the Horse Protection Act.

"While our own federal veterinarians work with all these programs, qualified accredited veterinarians, who can perform services locally as they are needed, provide an essential link between the farmer and the state and federal levels," Hawkins explained.

Written comments on the proposal will be accepted through June 28 by Thomas O. Gessel, Regulatory Coordination Staff, APHIS, USDA, Room 728, Federal Building, Hyattsville, Md. 20782. Comments should refer to Docket No. 84-114.

Mary Yurkovich (301) 436-7776

#

IOWA DECLARED FREE OF BOVINE TUBERCULOSIS

WASHINGTON, May 7—The U.S. Department of Agriculture today recognized Iowa as the 28th state to become free of bovine tuberculosis.

According to Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, tuberculosis-free recognition is based on a state's remaining free of the disease for a minimum of five years, and on its compliance with the uniform methods and rules of the state-federal cooperative tuberculosis eradication program.

The following states are currently designated as tuberculosis-free: Alaska, Arizona, Colorado, Connecticut, Delaware, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Vermont, and Wyoming. In addition, the U.S. Virgin Islands is an accredited tuberculosis-free area.

Hawkins advises cattle and dairy producers not to become complacent about bovine tuberculosis. Although the incidence of the disease has been reduced dramatically since its peak earlier in this century, recent figures show bovine tuberculosis reappearing in several states around the country.

In 1985, 30 tuberculous herds, the largest number reported since 1976, were detected in eight states. From 1980 through 1984, an average of

only ten infected herds were found each year nationwide.

Three states, North Carolina, Virginia and New Mexico, last year lost their USDA accreditation as bovine tuberculosis-free. A state loses such accreditation if two or more infected herds are found within its borders within a four-year period. Other infected herds were detected last year in Hawaii, Kansas, Louisiana, Ohio and Texas.

"Tuberculosis will continue to be a threat to dairy and beef cattle until the last infected herd in the United States has been eliminated," Hawkins said.

Notice of this interim rule listing Iowa as a TB-free state is scheduled for publication in the May 8 Federal Register. Written comments should be submitted by July 7 to Thomas O. Gessel, Director, Regulatory Coordination Staff, APHIS, USDA, Room 728 Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782.

Max Heppner (301) 436-7799

#

USDA LISTS NEW AREAS QUARANTINED FOR GYPSY MOTH

WASHINGTON, May 7—Moving companies and people planning household moves should be aware that new areas are being regulated this year because of the gypsy moth, a destructive pest of forest, shade and ornamental trees, says an official of the U.S. Department of Agriculture.

"Human activities, principally household moves, are the major cause of gypsy moths spreading to new areas," said Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service. "That is why we impose regulations when gypsy moths are detected in a new area."

Areas with low-level infestations are designated low-risk, Hawkins said. Areas with actual defoliation losses or an infestation rate of 50 or more egg masses per acre are designated high-risk.

This year, areas previously designated low-risk in Delaware, Maine, Maryland, Michigan and Virginia are being redesignated as high-risk areas. Some areas previously unregulated in Oregon also are being rated high-risk. Previously unregulated areas in Illinois, Indiana, Maine, Minnesota, Ohio, Oregon and Wisconsin are being designated low-risk areas. Regulations are being lifted from portions of previously regulated areas in Michigan and Washington.

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Gypsy moth regulations apply to recreational vehicles and outdoor household goods such as dog houses, awnings and swing sets. Regulated items may not be moved legally from high-risk to nonregulated areas unless they are inspected and treated for gypsy moth egg masses or other life stages. Usually no restrictions apply to moving goods from low-risk to nonregulated areas.

Hawkins said people moving from high-risk areas must inspect outdoor household items and certify them as free of insect life stages or hire a professional pest control expert to inspect their goods. If during transit or upon arrival, USDA inspectors find gypsy moth life stages in undocumented shipments, the owner may be fined up to $1,000. Moving companies that haul undocumented infested household shipments also are subject to the fine.

A free booklet on inspecting household items for gypsy moth or getting a commercial inspection is available. Write for "Don't Move Gypsy Moth," Printing and Distribution, USDA, APHIS, G187 Federal Building, Hyattsville, Md. 20782.

The new designations are scheduled for publication in the May 8 Federal Register. Written comments may be submitted until July 7 to Thomas O. Gessel, Director, Regulatory Coordination Staff, USDA, APHIS, 728 Federal Building, Hyattsville, Md. 20782. Please refer to docket 85-343.

Max Heppner (301) 436-7799

#

USDA TO ISSUE DATA COVERING ON-FARM GRAIN STORAGE CAPACITY

Washington, May 7—The U.S. Department of Agriculture's National Agricultural Statistics Service (formerly the Statistical Reporting Service) will publish survey results on on-farm grain and oilseed storage capacity in its Crop Production report to be released on May 9.

Administrator William E. Kibler said the capacity data, which have not been available before, were collected as part of the agency's quarterly stock estimating program. Kibler said the information should help data users evaluate the total on-farm and off-farm storage situation for 1986 harvests. The on-farm capacity data will be published for 27 grain-

producing states that account for about 95 percent of all grain stored on farms.

Diane Decker (202) 786-1494

#

USDA ANNOUNCES RED MEAT PURCHASES

WASHINGTON, May 7—Secretary of Agriculture Richard E. Lyng today announced the Commodity Credit Corporation purchased over 18.9 million pounds of red meat this week under provisions of the Food Security Act of 1985, bringing to over 58 million pounds the amount of meat purchased since the beginning of the red meat buyout program.

Lyng said that of the total 18.9 million pounds purchased, about 14.3 million pounds was ground beef purchased at prices ranging from 91 cents to 97 cents per pound, and 4.6 million pounds was canned beef purchased at prices ranging from $1.2096 to $1.2195 per pound. Lyng also said the CCC had purchased 36,000 pounds of frozen, fully cooked hams for $1.3895 per pound. USDA will take delivery the week beginning June 15.

Total cost for this week's purchases is approximately $19,448,000. Purchases of all three items will continue to be made weekly.

"Since the beginning of the 400-million-pound red meat purchase program," said Lyng, "USDA has bought 58,268,900 pounds at an approximate cost of $60,709,000, all of which is over and above our normal purchases for the school lunch and other feeding programs."

As authorized by the 1985 Farm Bill, half of the 400 million pounds to be purchased will be donated to domestic nonprofit charitable institutions for the needy, to nutrition programs for the elderly, to nonprofit summer camps for children and to other child-nutrition programs including the school lunch program. The remaining 200 million pounds will be exported.

Lyng again reminded the industry that first offers for choice and prime beef roasts are due Wednesday, May 14. Information on purchases may be obtained from the Contracting Officer, Livestock and Seed Division, AMS, USDA, Washington, D.C. 20250; telephone (202) 447-2650.

David Nutter (202) 447-6179

USDA ANNOUNCES REQUIREMENTS FOR ETHANOL PLANTS TO APPLY FOR CCC COMMODITY CERTIFICATES

WASHINGTON, May 7—Under Secretary of Agriculture Daniel G. Amstutz announced today the procedures to be followed by ethanol producers applying for Commodity Credit Corporation commodity certificates under the U.S. Department of Agriculture's temporary assistance program.

All ethanol producers who qualify for the program will receive certificates only for grain used to produce fuel ethanol between May 10 and September 30, 1986.

Producers of two types of ethanol may qualify for this program: Those who produce ethyl alcohol sold for fuel use which has been rendered unfit for beverage use at a facility approved by Treasury's Bureau of Alcohol, Tobacco and Firearms for fuel ethanol production; and those who produce ethyl alcohol between 150 and 195 proof sold to a distillation facility where it is distilled and denatured for fuel use in a manner approved by BATF.

"All grain used in ethanol manufacture must have been grown in the United States, and the manufacturing process must be in this country," Amstutz said.

Amstutz said that to be eligible to participate in the program, a producer must have authority from BATF to produce fuel ethanol and must submit a copy of either BATF's Alcohol Fuel Producers Permit or its Registration of Distilled Spirits Plant with the application.

Producers must also have made ethanol for fuel use from any feedstock during March or April 1986, Amstutz said. Supporting documents to be submitted include copies of applicable records of feedstock purchases, ethanol sales transactions, and other relevant supporting documentation.

Also required are copies of BATF operating reports filed with BATF covering March and April.

The monetary amount of the certificate issued by the CCC under the program will be determined by multiplying 40 percent of the bushels claimed times the per-bushel value established by the CCC for the kind or kinds of grain claimed by the producer. This is equivalent to 1 bushel of CCC-owned grain for every 2-1/2 bushels removed from the market by the producer.

The per unit value used by CCC to determine the monetary amount of

the certificate will be the market prices established daily by the Kansas City Commodity Office. These prices will be adjusted by the county average differential in the county in which the plant is located. The county average differential is used by CCC in determining the monetary amount of commodity certificates issued to producers under its price support program.

Details of the program will appear soon in the Federal Register.

Amstutz said requests for approval, along with supporting documents, should be sent to: Director, Commodity Operations Division, ASCS/USDA, Box 2415, Washington, D.C. 20013.

Producers will be notified in writing of approval or denial or if CCC needs more information, Amstutz said. "When approval notification is sent, producers will also receive a copy of the agreement between CCC and the eligible producer, spelling out the terms and conditions of the agreement and exchange of commodity certificates." "I strongly urge all producers who wish to take part and think they may be eligible to make their applications immediately," Amstutz said. "They will be processed and notification made to producers as soon as possible."

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